



# ***Daily Report***

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## **China**

FBIS-CHI-96-037  
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# Daily Report

## China

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23 February 1996

NOTICE: An \* indicates material not disseminated in electronic form.

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## General

### PRC: Beijing Signs International Tropical Timber Treaty

OW2302000496 Beijing XINHUA in English  
2224 GMT 22 Feb 96

[FBIS Transcribed Text] United Nations, February 22 (XINHUA) — Qin Huasun, China's permanent representative to the United Nations, signed here today an international tropical timber treaty at the UN headquarters.

China is the 29th signatory to the International Tropical Timber Agreement 1994.

The treaty was adopted on 26 January 1994 at Geneva by the United Nations Conference on Tropical Timber, 1993.

It was the successor agreement to the International Tropical Timber Agreement, 1983, which expired on 31 March 1994. It was opened for signature at United Nations Headquarters from April 1, 1994.

The main purpose of adopting the treaty is to encourage member countries to make national policies aiming at perpetuating the use of tropical forests, so that by the year of 2000, all member countries can use timber from tropical forests protected by such a perpetuating system.

The treaty will come into force after its approval by 16 timber consumer countries and timber export countries.

### PRC: Correction to Analysis of Nuclear Arms Control Policy

WA2202153396

The following correction pertains to the item headlined "Analysis of Nuclear Arms Control Policy," published in the 22 December 1995 China DAILY REPORT, pages 6-11:

Page six, column one, sourceline should read: ...96CM0086A Hong Kong XIANDAI JUNSHI [CON-MILIT] in Chinese... (correcting city of publication).

## United States & Canada

### PRC: U.S. Expected To 'Intensify' High-Level Talks With China

OW2202160196 Hong Kong Television Broadcasts Limited in English 1130 GMT 22 Feb 96

[From the "News at 8:00" program]

[FBIS Transcribed Text] U.S. President Bill Clinton is planning to intensify high-level meetings with senior Chinese officials in an attempt to smooth U.S.-China

relations. The Clinton administration has been considering whether to impose sanctions on China for providing nuclear technology to Pakistan.

The current plan is to send three top U.S. officials to China in April. National Security Adviser Anthony Lake underscores the importance America places on the security aspect of China's deal with Pakistan. Also expected to take part are Defense Secretary William Perry and Secretary of State Warren Christopher.

The recent tension followed U.S. intelligence reports that China supplied Pakistan with 5,000 ring magnets used in the production of nuclear weapons. The revelation increased pressure on Washington to take a firmer line with Beijing. Reportedly under consideration is imposition of limited sanctions probably in the form of tariffs on Chinese imports or restrictions on the export of some high-tech American products to China. But Secretary of State Warren Christopher stressed no decision has been taken.

[Begin recording] China is an extremely important country and our relationships with them are of great importance. With respect to ring magnets, no decision has been made on that subject. [end recording]

To punish Pakistan, the Clinton administration will probably block an agreement to deliver the American-made F-16 fighter planes which Pakistan has already paid for.

As the U.S. Congress gears up to discuss the renewal of China's most-favored-nation trade status, it is likely nuclear proliferation will play a key role in the debate.

### PRC: Article Views 'Terrible Plight' of Children in U.S.

OW2202151796 Beijing XINHUA Domestic Service in Chinese 0704 GMT 22 Feb 96

[Article by Ren Yanshi (0117 6056 1395): "Please See the Situation of American Children"]

[FBIS Translated Text] Beijing, 22 Feb (XINHUA) — Recently, some human rights organizations in the United States, using the so-called "orphanage" issue, adopted the mean trick of fabrication, exaggeration, and "attacking one point and ignoring the overall picture" to vigorously cook up public opinion in the international media to willfully censure and attack the children's situation in China. China's concerned departments, UN organizations, U.S. adoption organizations, and people who understand the actual children's situation in China, have rebutted these allegations one after another. What has baffled people is that those Americans who seem to be "concerned about" the children's situation in China

are so indifferent to the children's situation in their own country.

As a matter of fact, it is in the United States, the only superpower in the world, where social tragedies of abusing and cruelly injuring children and impairing children's physical and mental health in various ways take place every day.

### **I. Threats of Violence and Terror**

The United States is a country in which violent crimes are the most serious in the world. The average number of criminal cases each year is 35 million, of which violent crime makes up 2 million cases. Six million people become victims of crime and violence, and 24,000 people are murdered annually. The number of privately-owned guns in the United States is 220 million. Each year 1 million shootings occur, as a result of which more than 20,000 people die.

Teenagers and children are major victims of violent crime. According to a report by the newspaper USA TODAY in 1995, the number of children who fell victim to violence in the United States had increased by four times as compared with that of 10 years before, and the percentage of children from 10 to 14 who had fallen victim was 62 percent over that in 1985. Usually, 40 children were injured or beaten to death each day. Out of every 100,000 teenagers and children aged from 5 to 19, 70 killed others or committed suicide. The number of teenagers below 16 years of age injured by weapons increased by 100 percent from 1987 to 1990. The number of teenagers shot dead increased by 40 percent from 1984 to 1989. Violence has swamped the streets and has intruded into schools. Statistics show that in U.S. public schools, 522,000 incidents involving physical attacks and theft take place every month. In 1994 alone, more than 80,000 violent acts took place in New York schools, an increase of 27.6 percent over 1993. One out of every five U.S. middle school students goes to school carrying some type of weapon, and 135,000 children take guns into their classrooms every day. Each day 1.2 million latchkey children have to live with family members who possess guns, while 160,000 students stay away from school owing to blackmail or worry about physical injury. In southern Chicago, 47 percent of the students (aged between 12 and 18) have been injured by shootings or knivings, and 45 percent have had the experience of witnessing killings. It is becoming more common for parents living in slum areas of U.S. cities to lock their children in their homes for fear of violence. They have practiced "first grade preventive confinement." Even Chris Gale [as transliterated], head of the National

Education Association, had to admit that "For children, the United States has become a dangerous place."

### **II. The Torture of Poverty and Hunger**

The United States is the world's richest country, but also the one with the highest proportion of impoverished children among developed Western nations. According to a report issued at the end of 1994 by the U.S. Children's Defense Fund, the country had 15 million children living in poverty who had no access to health care or education. In 1993, the number of impoverished children rose to 15.7 million, 23 percent of the total number of children, and the highest recorded in 30 years. Children account for only 22 percent of the population of the United States, but those living in poverty account for 40 percent of the nation's poor people. One out of every four children is living in poverty, on average. The condition of black children is even worse. According to an article in U.S. NEWS AND WORLD REPORT, the poverty rates for black children and illegitimate black children are as high as 44.8 and 63.7 percent, respectively, while those for white children and illegitimate white children are only 15.9 and 14.9 percent, respectively.

Poverty means hunger. According to an estimate made by the U.S. Congress' Hunger Center, about 30 million people suffered from lack of food in the United States in 1994. Among them, 12 million people were children, accounting for 40 percent of the total. The "Second Harvest" organization estimated that one out of every five American children suffered from lack of food and that one in every seven relies on family subsidies. In 1995, 301 out of every 1,000 children under 12 suffered from hunger. According to a report released by the Public Health Institute of California, one-sixth of the people did not have enough food to eat. If this trend continues, one-third of the children in California will be suffering from hunger by the year of 2000. At present, there are seven million homeless people in the United States, with children accounting for a fairly large percentage. Half of all black children have experienced staying in temporary reception centers in cities. USA TODAY says poverty has become the number-one killer of children. More American children died of poverty than from traffic accidents and suicides; twice as many as from cancer and heart disease.

### **III. Harm Caused by Broken Families**

The United States ranks first among industrialized countries in terms of divorce rate. Over the past 30 years, the divorce rate has quadrupled in the United States. In 1991, about 2.39 million people got married in the United States, and 1.16 million people divorced,



a 50-percent divorce rate. The high divorce rate has broken American families and rendered great blows and tremendous harm to women and children. A follow-up survey on American families conducted from 1968 showed that the average income of a divorced woman dropped by 30 percent in the first year of her broken marriage. About 41 percent of single or divorced women with children under the age of 21 received no child-care support from their former husbands, and the others received only a small amount. Broken families not only caused a drop in the standard of living for the children but also caused them mental and physical injuries, from which recovery is hard. According to a report released by the Health Condition Statistical Center in 1992, over the past 20 years, the number of American children affected by divorce has increased by more than 1 million each year. About half of black children were from broken families.

#### **IV. Under-Aged Mothers and Children Born out of Wedlock**

In the United States, teenage pregnancy is a severe problem that plagues the whole country. According to reports carried by AMERICA on 8 September 1995 and THE NEW YORK TIMES MAGAZINE on 8 October 1995, about 40 percent of girls between ages of 14 and 19 in the United States were pregnant; 2,756 girl students dropped out of school each day because they were pregnant; and 1,340 under-aged females delivered babies each day. At present, about 1 million girls between 13 and 19 get pregnant before marriage. Half of them quit school after delivering babies and become "welfare mothers," living on social security assistance. The childbirth rate for teenage girls in America is two times higher than in Britain and six times higher than that of France and Italy. In terms of pregnancy, abortion, and childbirth rate, the United States ranks first among advanced countries in the world. Even American President Clinton had to acknowledge on 29 January 1996 that "Teenage girls having babies is a common phenomenon in the United States. This is not only a moral issue but also a social and economic issue."

Over the past 30 years, the rate of childbirth out of wedlock increased by five times. In 1991, children born to unwed mothers accounted for 30 percent of all newborn babies. In other words, one of every three babies was born out of wedlock; of these, black babies accounted for 57 percent. A report released by the Carnegie Foundation in 1990 said that because babies born to unwed and under-aged mothers did not have the basic social environment for healthy growth, children under age three in the United States were living in a "soundless crisis." The infant mortality rate in the

United States was higher than in 19 other countries. In Jonestown, Mississippi, the infant mortality rate was as high as 8.6 percent.

#### **V. The Crisis of the Absence of Fathers**

The direct consequence of a high divorce rate and a high out-of-wedlock birth rate is the widespread existence of single-parent families. According to statistics, the number of single-parent families stands at 10.9 million, accounting for more than one-third of families with children in the U.S. Among those single-parent families, about 90 percent are headed by mothers. From 1950 to date, the number of single parents has increased by 200 percent, or from about 4 million to approximately 12 million, in the U.S. The number of children living in single-parent families headed by mothers increased by 300 percent, or from 5 million to 20 million. Nearly one-quarter of children born in the U.S. live in single-parent families headed by mothers. At least half of American children will live in such families before they turn 18. The U.S. is becoming a "fatherless society," and single-parent families headed by mothers are becoming the main source of poor people in the U.S. as a result of the crisis of the absence of fathers. There are 180 communities in the U.S.; at least 90 percent of families have no fathers, and most of these families are poor. The poverty rate of single-parent families headed by mothers is as high as 34.3 percent, and such families have a total of 18.6 million people living in poverty, accounting for over 47 percent of poor people in the U.S. Statistics reveal that because of poverty and the lack of proper care, the possibility of children from single-parent families playing truant, dropping out of school, and encountering psychological and behavior problems is 200 percent higher than those from double-parent families.

#### **VI. Serious Mistreatment and Improper Care**

Half of the babies in the U.S. are born to single-parent families and there are nearly 500,000 children living in child-care families or boarding facilities every year. Child abuse and the lack of proper care are widespread phenomena under such adverse and abnormal family and social circumstances. According to statistics of the Carnegie Foundation in 1991, children account for one-third of the Americans who are physically abused. A report released by the U.S. Committee for the Problems of Child Abuse and Improper Care noted that the number of cases involving child abuse by parents increased from 2.4 million to 2.7 million during the years from 1989 to 1991, up by 13 percent. Child abuse cases amounted to more than 3 million across the country in 1993. An average of three children died from abuse every day in 1994. Another report by the

Federal Center for Disease Control and the University of Missouri said that an average of 1,800 or more American children and infants under four years old die from abuse or improper care every year; the number grows to 2,000 or more if youths and children ranging from four to 17 years old who die from the same reasons are included, or, in other words, an average of six children per day. In addition, one-third of American women have suffered from sexual abuse or some form of abuse in their childhood. The National Center for Missing Children estimated that 1.5 million children in the U.S. are reported missing every year, 1 million of them run away or are "abandoned" by their parents. Thousands and tens of thousands of them are left homeless and miserable, bullied, and in the face of fear and death. Fifty percent of women and children end up homeless to escape from family violence. A responsible person of the U.S. Bar Association said in 1993 that children were "in dire peril" because their legitimate rights and interests had often been encroached upon or neglected.

#### VII. Illegal Employment of Child Labor

An article in the April 1993 issue of FORTUNE magazine in the U.S. said that employers from New York to California had universally disregarded the law by hiring youths and children between the ages of 7 and 17 to do long-hours and heavy work, usually under dangerous working conditions. The government statistics indicated that illegal employment of child labor had increased significantly. The Department of Labor recorded 1,944 cases of illegal employment of child labor in 1992, up 200 percent from 1980. The U.S. National Research Institute for Safety in Work estimated 300 child workers die and 70,000 are wounded at work every year. There are about 1.5 million to 2.5 million seasonal workers doing farm work in the U.S. and their health and lives are in danger. Due to poverty, many seasonal workers' children become child labor doing dangerous work. The National Child Labor Committee estimated that there are at least 100,000 illegal child workers engaged in farm work and 1 million violations of laws on child labor each year.

#### VIII. Drug-Addicted Youths and "Crack Children"

The U.S. is the largest drug market in the world as well as the one with the highest rate of drug abuse among developed countries. Presently, there are about 20 million people taking marijuana; 6 million people, cocaine; and 500,000 people, heroin, in the U.S. About 500,000 people die of drug abuse every year. The most appalling development is the increase in the numbers of drug-addicted youths and drug traffickers. Statistics show that an average of 176 American children are

arrested every day for taking drugs and one-third of the 13-year-old eighth graders have taken some kinds of drugs.

Drugs not only impair the health of the addicts, but also bring disastrous consequences to the next unborn generation. Crack has been popular in the United States since the 1980's, and there are more and more "crack children" — babies born by mothers taking crack. Many American children have "accepted some terrible heredity" before birth because their mothers took crack during their pregnancies. According to statistics, every year 375,000 newborns, or 11 percent of the total, in the United States are seriously affected by drugs before birth. These babies are born to the world with serious sequelae tagged as "crack epidemic disease." An article on the "crack children" in the U.S. magazine "Newsweek" said: "It is probable that the whole generation will not break away from this disaster."

#### IX. AIDS Orphans

AIDS, which is rampant along with homosexuality and chaotic sexual life, has become a serious social problem that threatens the lives of Americans. According to statistics of the Federal AIDS Center, some 500,000 people in the United States were diagnosed with AIDS in 1995, and at least 330,000 people have died of AIDS. The spread of AIDS has not only deprived the lives of the patients, but also passed the disaster to the next generation. A research report on AIDS published in the Journal of the American Medical Association noted: One-third of the newborn babies whose mothers have AIDS will be infected and die of AIDS eventually; another two-thirds of the babies will become "AIDS orphans" after their mothers die of AIDS. Currently, AIDS is becoming a major cause of death of women of childbearing age. The research report estimated that from the early 1980's, when AIDS became rampant, to the year 2000, the number of children whose mothers are killed by the disease will exceed 80,000 and may amount to 125,000. The number of young people at or above 18 years of age who lose their mothers because of AIDS will reach 64,000. As more and more children and youths lose their mothers because of AIDS, "AIDS orphans" will become a "social disaster" in the United States.

#### X. Teenage Crimes and Suicides

Affected by poverty, unemployment, broken families, and violence advocated in television programs, movies, and video tape programs, the phenomenon of teenage crimes and suicides in the United States has become increasingly severe in recent years. According to a report released by the Federal Bureau of Investigation,

males between 14 and 17 committing manslaughter crimes increased by 165 percent from 1985 to 1993. The number of teenagers arrested for violent crimes increased by 68 percent in 1993 over 1984. Of every 100,000 children between the ages of 10 to 15, 156 entered youth penitentiaries or reeducation centers. In 1992 more than 700,000 people were imprisoned in Florida, a "crime state" as it was called. Among them, 87,000 were teenagers. Juvenile delinquents had a very high rate of committing crimes again. A report made by the National Committee for Crimes and Illegal Problems showed 50 to 70 percent of juvenile delinquents were thrown behind bars again within 12 months after their release. About 75 percent of juvenile delinquents released from a penitentiary in Washington committed crimes again.

Living without any hope, more American youths killed themselves. In the 30 years between 1960 and 1990, the number of youths (including young students) who killed themselves increased by more than 300 percent. In 1991 the number of under-aged youths and young adults who killed themselves exceeded the total number of those who died from cancer, heart disease, AIDS, congenital defects, pneumonia, influenza, strokes, and chronic lung diseases.

#### **XI. Using Living Children for Experiments**

The United States is one of the countries in the world today which has conducted inhuman large-scale experiments on humans. According to investigation materials of the General Auditing Bureau of the investigation organ of the U.S. Congress in 1994, the United States conducted various tests, including nuclear weapons and chemical weapons, on at least 500,000 living people from 1940 to 1974, and among them 200,000 were later affected by radioactivity. Aided by an institute of the Department of Health in 1970, Johns Hopkins University did genetic experiments using blood from 7,000 male children (95 percent of whom were from poor black families) in the Baltimore area, Maryland, under the guise of doing research on anemia. Similar experiments were also carried out on an additional 6,000 teenagers, of whom about 85 percent were black children abandoned in children's homes and juvenile observation and protection institutions of that state. According to a report by REUTERS on January 13, 1994, nearly 120 mentally retarded children of the State-Funded [name as transliterated] School were deceived and fed food with radioactive materials in an experiment conducted by the Massachusetts Institute of Technology under the auspices of the federal government. The radioactive experiment of that school lasted till the 1960's. In an experiment mainly on thyroid glands, mentally re-

tarded children of that school with thyroid gland troubles were asked to drink a radioactive iodine solution. Even U.S. Senator Edward Kennedy admitted in 1994 that conducting tests on living children "is the most unacceptable part of the experiment."

The above information shows that the United States has a very poor record on the social protection of children. We hope the U.S. Government can take measures to make improvements. It is, however, unfortunate that there are some people who have turned a blind eye to the terrible plight of children in their own country, but have been keen on fabricating sensational stories on "children's conditions" in other countries.

#### **Southeast Asia & Pacific**

**PRC: Malaysia To Enhance Bilateral Economic Ties**  
*OW2302093796 Beijing XINHUA in English*  
*0919 GMT 23 Feb 96*

[FBIS Transcribed Text] Kuala Lumpur, February 23 (XINHUA) — The Malacca state government of Malaysia will enhance bilateral economic ties with China in an effort to attract more investors from China and vice versa.

Malacca Chief Minister Mohamad Zin Abdul Ghani told the press today that an agreement on the matter was signed by his state government and a trade delegation from Guangzhou, China.

After receiving the Guangzhou Overseas Chinese Association delegation in Malacca, Mohamad Zin said, "the bilateral ties are appropriate as Malacca and China have many similarities particularly in terms of culture, tradition and economic activities."

He said the Chinese delegation was satisfied with this visit to the state and as a result, several businessmen from the Malacca Chinese Chamber of Commerce have been invited to form a joint venture with the Chinese businessmen to produce mineral water in China.

Other areas the investors from both sides could participate in were the industrial and tourist sectors, he added.

The chief minister also said he would visit China officially this year to look at the investment opportunities, investors from Malacca could tap there.

Economic relations between China and Malaysia have been developed greatly in the past few years. The trade volume between the two countries has reached 3.3 billion US dollars in 1995.



### Political & Social

#### PRC: Li Peng Emphasizes Environmental Protection

OW2202111696 Beijing XINHUA Domestic Service in Chinese 1332 GMT 9 Feb 96

[FBIS Translated Text] Beijing, 9 Feb (XINHUA) — During a recent talk with the official in charge of the National People's Congress [NPC] Environment and Resources Protection Committee [ERPC], Li Peng, CPC Central Committee Political Bureau Standing Committee member and State Council premier, emphasized again that environmental protection is a fundamental national policy. He said: We must protect the environment in accordance with the law. The State Council will draft rules for implementation in line with the environmental protection laws promulgated by the NPC. Government at all levels must exercise more effective leadership over environmental protection and take this work seriously, not just in words but in deeds. Only when principal leaders at all levels truly take environmental protection seriously will we be able to mobilize all departments at all levels to pay more attention to and take care of environmental protection.

Li Peng pointed out that the environment is a matter of overall importance for economic and social development. Our work in environmental protection will have a direct impact on the shape and form in which China will enter the next century. Since China started reform and opening up to the outside world, the country has achieved rapid economic development. Thanks to a series of effective measures, China has, on balance, not experienced an abrupt deterioration of its environmental conditions. This alone, it should be noted, is quite an accomplishment. However, some areas have not paid adequate attention to environmental protection while developing their economies. Pollution has become a major problem, and the environment is deteriorating at a quickened pace in these areas. In some areas, pollution has begun affecting people's daily lives and health and even hampering sound economic development. We must have a clear understanding of this matter and never treat it lightly. Government organs at various levels that have done a good job in environmental protection should be commended. Officials who have done poorly should be criticized, and those officials whose incompetence leads to severe environmental damage should be investigated for leadership responsibility.

Li Peng emphasized that to implement the fundamental national policy of environmental protection, China should first of all change its economic growth mode. Traditional methods of growth, with high input and high consumption but low efficiency and high contamination,

are misguided and must not be allowed to continue. When we speak of development, we mean economic growth as well as concurrent social development and progress, including environmental protection. Lopsided pursuit of economic growth at the expense of the environment is unhealthy and unsustainable. We must not allow today's development to harm tomorrow's development or partial development to hurt overall development. Under no circumstances must we allow the environment to be sacrificed for the sake of temporary development. If the economy is developed at the price of environmental pollution, depletion of resources, and devastation of our homes, we will be unworthy of our ancestors and descendants.

Li Peng pointed out: In implementing the fundamental national policy of environmental protection, it is all the more necessary to step up macroeconomic regulation and control. This is particularly important today, when China is developing a socialist market economy. In drafting their respective Ninth Five-year Plans, government at all levels must take China's pledges to the UN's Agenda 21 as guidance and incorporate environmental protection into their economic and social development plans. We must increase input for the control and treatment of pollution, even if occasionally we have to lower growth rate targets and delay some projects. As GNP grows, society's input in environmental protection and pollution control should also rise steadily. In increasing input for pollution control, we should also open up new channels. First, any new project should set aside a percentage of funds for building environmental facilities. Second, a percentage of funds for technical renovation of existing enterprises should be used for pollution control. The State Council set requirements in this regard years ago, and documents have also been issued by relevant departments. The key is to carry them out. Third, a portion of urban development funds should be spent on environmental infrastructure. Development of sewage and garbage disposal facilities, central heat supply, and parks should be incorporated in urban development plans, and their funding should be guaranteed. Fourth, fees collected from enterprises for discharging pollution in excess of standards should be spent on major pollution control projects; they must not be diverted to other purposes.

Li Peng said that the government and enterprises should inject more funds into pollution control. Enterprises must spend more on pollution control, as environmental protection is also an unshirkable responsibility of theirs. The achievements of village and township enterprises, which are a product of China's policy of reform and opening up and a great creation of Chinese peasants, should be fully affirmed. However, some village and



township enterprises have indeed caused serious pollution, hurting others as well as themselves. From now on, we must enforce strict administration and firmly close down, suspend, merge, or switch to other lines of production those enterprises that cause serious pollution, do great damage, and are unable to reduce pollution discharges. Government at all levels must take this matter seriously and take resolute actions to deal with the problems. They must not sacrifice the well-being of the coming generations for the sake of temporary economic benefits. In a nutshell, the government will implement a stricter environmental protection policy and step up implementation efforts during the period of the Ninth Five-year Plan.

Li Peng said: Water and air pollution, garbage, and noise remain top priorities in pollution control efforts. We should rely on technical progress in pollution control and treatment and popularize the series of environmental monitoring and protection technologies that have been proven effective and are suited to China's conditions. Systematic efforts should be made in developing environmental protection products; environmental protection research institutes should be set up or amplified step by step and encouraged to establish ties with enterprises.

Speaking of "China's Century of Environmental Protection," Li Peng said: To implement the fundamental national policy of environmental protection, it is necessary to do a good job in propaganda and education and give full play to role of the media and public in supervising policy implementation by the government and businesses. The drive spearheaded by the ERPC, "China's Century of Environmental Protection," represents an effective form of education and an effective way to exercise supervision by public opinion through the media. I would suggest that the drive publish the names of serious polluters and commend those who have done well in pollution control and environmental protection. In doing so, it will help find ways for dealing with pollution, help the public understand the determination of the party and government, and enhance public confidence in pollution control. At the end of the talk, Premier Li Peng wrote an inscription for the drive: "Unfold the 'Century of Environmental Protection' Drive and Enhance Society's Awareness of Environmental Protection."

**PRC: Li Peng Commends Youths Sent To Work in Yanan in 1960's**

OW2302054396 Beijing XINHUA Domestic Service  
in Chinese 1233 GMT 22 Feb 96

[Article by XINHUA reporters Zhang Sutang (1728 1372 1016) and Hu Xisheng (5170 6007 3932):  
"Loathing To Part With the Warm Soil — Li Peng's

Informal Discussion With Former Educated Youths From Beijing in Yanan"]

[FBIS Translated Text] Xian, 22 Feb (XINHUA) — In the late 1960's, more than 27,800 youths from Beijing went to live and work in production teams in Yanan, the sacred place of the Chinese revolution.

Some 30 years have passed. While most of these youths have returned to the cities, 413 are still living on this low plateau.

On 20 February, the second day of the first lunar month, Li Peng, State Council premier who was spending New Year's with people in the old liberated area of Yanan, invited 10 of them to the place where he was staying and enthusiastically held an informal discussion with them.

"We thank the party and state for their concern, and we thank the people for their care," the now-middle-aged educated youth representatives said emotionally as they surrounded Premier Li Peng and wished him a Happy Lunar New Year. Li Peng shook hands with each of them, wished them a Happy Lunar New Year, and extended his warm regards.

Liu Xianlong, director of the Yanan Prefectural Office for Educated Youth Affairs, first reported on the state of these former educated youths who are still living in Yanan: The 413 former educated youths from Beijing are living in counties and cities other than Zichang county in Yanan Prefecture. Some of them have joined the party, some have assumed leadership posts, and some have become experts with specialized knowledge.

"From 15-to 16-year-old children, we have grown to be middle-aged men. Unlike in those years when we could not even tell wheat from chives, we have mastered all aspects of farming. We are inseparable from this loess plateau," Liu Xianlong sounded excited and proud as he said these words.

Picking up the conversation, Li Peng said: "I watched a television drama. It was a story about educated youths who came to Yanan from Beijing. Mind you, you have produced many qualified personnel." After talking about the outstanding ones of those personnel with the former educated youths, he asked: "Why didn't you go back to Beijing?"

"We are Yanan people," came the answer.

Li Peng said joyously: "I am also a Yanan man."

He Ning, former Yanan city vice mayor and current vice chief procurator of the Yanan Prefectural Procuratorate branch, was only 15 years old when he arrived in Yanan. "The mountains and rivers of Yanan are so dear; the people of this old liberated area are so simple and

honest," he said, adding: "It was the people of Yanan who brought us up. We gradually came to understand what was meant by the Yanan spirit. We must build Yanan well so as not to let the people down."

When he heard that He Ning's wife was a native from northern Shaanxi, Li Peng said with a laugh: "You have indeed taken root."

"It is Yanan's apples that make me stay." This is a widely circulated saying among educated youths. The man who used this saying to express his fascination with Yanan was Liu Shilin, deputy director of the Yanan City Horticulture Station. Over the years, this self-taught agronomist became obsessed with northern Shaanxi's fertile soil for fruit-growing.

Li Peng commended Liu Shilin's resolve to take root in Yanan and his spirit of serving the peasants. He made detailed inquiries about Yanan Prefecture's soil conditions, sunshine, temperature, and elevation, as well as the variety, output, sales, and transportation of apples. When he heard that Yanan apples were in great demand across the country, he said with emotion: "Northern Shaanxi is indeed a nice place."

Wu Yinchun, deputy director of the Yanan City Local Tax Bureau, discussed Yanan's changes within the context of taxation — his area of knowledge. Yin Guojin, from the Yanan Prefectural Party Committee office, said that Yanan's changes are an epitome of changes in the rest of the country. Chu Yanfeng, female deputy political commissar at the Yanan City Public Security Bureau, said that it was necessary to continue working with local people to change Yanan.

The representatives of former educated youths said: In recent years, some former educated youths who had returned to the cities came back to Yanan with their children. Tears came to their eyes when they witnessed changes in the place where they had spent their youth, and when they shook hands with the simple and honest local folks. The representatives who were meeting with Premier Li Peng asked him to relay New Year's greetings from former educated youths from Beijing in Yanan to the people of Beijing.

Although the discussion had passed its allotted time, Li Peng was still asking the former educated youths about their working and living conditions. He said soulfully: "I cherish deep feelings for the mountains and rivers here. I came to Yanan when I was 13 years old and joined the party at 17. I left only after the War of Resistance Against Japan had been won. I spent fully five years here. It was a very important period of growth in my life. It was also a memorable period. Here, I studied

Marxism-Leninism-Mao Zedong Thought and fostered life, world, and mass viewpoints."

He reminisced: "Life was very difficult in Yanan back then, especially in 1942 when we often did not have enough to eat and wear. It was at that time that Chairman Mao called for carrying out production on a large scale. The slogan for self-reliance and hard struggle was also issued at that time. In those years, I led a collective life at school; lived at Qiaoer Gully, Dufu Creek, and Dabian Gully; and reclaimed wasteland and spun yarn. Despite its poor material conditions, Yanan had a rich spiritual life back then."

Li Peng said: "For a long time, Yanan did not change much. During a return visit to Yanan in 1973, Premier Zhou was moved to tears when he saw that local people were still living a hard life. To be sure, the conditions in the rest of the country were not good back then. After that, the rest of the nation lent support to Yanan but the problem was not solved thoroughly."

He said: "Yanan underwent genuine change only after the program of reform and opening up was implemented, and the path it took was one of self-reliance and hard struggle. I visited some places yesterday and saw significant changes in people's food, clothing, and housing."

Li Peng continued: Since the program of reform and opening up was implemented, the east and west have developed at an uneven pace. Instead of halting the development of the east, the west should quicken the pace of development if the gap is to be narrowed. How should we narrow the gap? Through the exploitation of resources. Northern Shaanxi is a valuable piece of land with abundant underground resources, such as coal and petroleum. It also has ample natural gas. If we improve transportation, northern Shaanxi's state of poverty will surely undergo fundamental change, and the region will surely spearhead development in the west.

Speaking of educated youths working and living in the countryside and mountain areas, Li Peng said: "During the Great Cultural Revolution, many young urban students lived and worked in production teams in the countryside. To many people, this historical period was a painful memory, during which sad things happened to some people. We should take a correct view of this historical period. On the one hand, we should see the historical background against which the policy decision was made. On the other hand, we should see that the broad masses of educated youths indeed got to temper themselves in the countryside. You came to understand China's conditions and formed profound friendships with people through your physical labor. This helped to uplift your spiritual state. In your own

words, you benefited a great deal. Therefore, we should look at all sides of this event. Literary and artistic works should also reflect this historical period in an all-around manner."

In conclusion, Premier Li Peng said emotionally: "Those educated youths who returned to the cities did so after leaving the crucible of Yanan. They will not forget Yanan. And the 400-odd people who chose to stay behind have taken root in northern Shaanxi and become a new generation of Yanan people. After spending your youth here, you continue to contribute your intelligence and wisdom to this sacred place of the Chinese revolution. Thanks to the joint efforts of you and the people of Yanan, I believe that Yanan will have a better future, and a more prosperous Yanan will emerge in northern Shaanxi."

The former educated youths greeted Premier Li Peng's words of encouragement with warm applause. The applause demonstrated their strong determination to take root in Yanan and their unwavering confidence in building the old liberated area.

**PRC: Zhejiang Population Control Achievements Affirmed**

OW2302015896 Hangzhou ZHEJIANG RIBAO  
in Chinese 1 Feb 96 p 1

[By reporter Gu Yining (6253 0181 1337)]

[FBIS Translated Text] Zhejiang's achievements in population control during the period of the Eighth Five-Year Plan have been affirmed by leaders and representatives to the National Meeting on Statistics and Analysis of the Population Situation in 1995 that opened in Hangzhou today, it has been learned. Peng Peiyun, state councillor and minister in charge of the State Family Planning Commission; Zhang Weiqing, executive minister of the commission; Deputy Secretary and Governor Wan Xueyuan; and Liu Xirong, member of the Standing Committee of the provincial CPC committee and vice governor, were present at the meeting.

According to figures of the provincial statistic bureau and family planning commission, there are following characteristics in Zhejiang's population growth during the period of the Eighth Five-Year Plan: first, the growth rate of total population slowed down, dropping from 345,000 in 1991 to an estimated 250,000 in 1995, thus providing a good population environment for the province's social and economic development. Second, the population growth rate dropped. There were 2,965,000 births during the period of the Eighth Five-Year Plan, a drop of 307,000 from the previous five-year period. The percentage of planned births went up by 6.1

percentage points during the five-year period. Wenzhou and Taizhou saw the highest increase of this rate.

Goals for the Ninth Five-Year Plan have been set on the basis of an analysis of the population conditions during the Eighth Five-Year Plan. The reporter has learned that goal of population growth control for the Ninth Five-Year Plan is to keep the total population within 45.5 million by the year 2000. The average annual birth rate will be kept at 13 per thousand and the natural population increase rate at six per thousand. Only by ensuring the fulfillment of these targets can we accomplish our social and economic development goals.

Present at today's meeting were leaders of family planning departments from various provinces, autonomous regions, and municipalities and experts of population issues.

**PRC: 'Chinese Population Awards' Ceremony Reported**

HK2302023496 Beijing RENMIN RIBAO in Chinese  
9 Feb 96 p 5

[By staff reporter Ai Xiao (5337 4562): "The Second 'Chinese Population Awards' Presented"]

[PTS Translated Text for FBIS] Beijing 8 Feb (RENMIN RIBAO)—The presentation ceremony of the second "Chinese Population Awards" was held today in the Great Hall of the People. Vice Chairman of the Standing Committee of the National People's Congress Wang Guangying, State Councillor Peng Peiyun, President of the China Population Welfare Foundation Gu Mu, Ma Wenrui, and other relevant leaders separately presented certificates, prize cups, and money awards to 10 winners and awarded another five nominees certificates and prize cups.

The "Chinese Population Awards" is China's highest award in the field of population and family planning. The purpose of instituting this award was to increase the entire society's awareness of population and the concept of developing population in coordination with economy and society; arouse a broad spectrum of actual workers and scientific workers in the field of population and family planning to have a sense of honor and mission and a spirit of dedication; and mobilize the initiative of all relevant departments and social organizations in tackling the population problem in a comprehensive way. The first "Chinese Population Awards" presented in 1993 had a very positive impact at home and abroad, thus playing a role in promoting China's population and family planning work.

At the ceremony, Peng Peiyun was pleased to report on marked results achieved in population and family plan-



ning work during the Eighth-Five Year Plan: The population growth rate dropped from 14.39 percent in 1990 to a relatively low level in 1995, and the momentum of the entire country's overly rapid population growth rate has been effectively brought under control. She said: "More importantly, we have gained valuable experience through practice and explored a path with Chinese characteristics to resolving the population problem."

The Chinese Population Awards was co-sponsored by the Propaganda Department under the CPC Central Committee, the State Family Planning Commission, the State Science Commission, the China Family Planning Association, the China Population Welfare Foundation, the Organization Department under the CPC Central Committee, the State Education Commission, the Ministry of Personnel, the Ministry of Public Health, the All-China Women's Federation, the State Statistical Bureau, RENMIN RIBAO, and the China Central Television Station. Li Renchen, deputy editor-in-chief of RENMIN RIBAO, also attended today's ceremony.

**PRC: Commentator Hails 'Chinese Population Awards'**

*HK2302024196 Beijing RENMIN RIBAO in Chinese  
9 Feb 96 p 5*

[Commentator's article: "Carry Forward the Cause, Forge Ahead Into the Future, Perform Feats Again—Congratulating Presentation of Second 'Chinese Population Awards'"]

[PTS Translated Text for FBIS] This is the second year the presentation of the "Chinese Population Awards" was held which was co-sponsored by the Propaganda Department under the CPC Central Committee, the State Science Commission, the China Family Planning Association, the China Population Welfare Foundation, and others. As expected, this activity has achieved very good results.

Over the past 20 years or more, China's population and family planning work has scored tremendous achievements which have been universally recognized. During the Eighth Five-Year Plan, under the correct leadership of the CPC Central Committee and the State Council and in line with economic and social development, party committees and governments at all levels and a vast number of cadres and the masses painstakingly attained marked results in population and family planning work; completed the population plan in a better way; achieved a steady decrease in birth rate; gained valuable experience through practice; and explored a path with Chinese characteristics to resolving the population problem. Tasks and contributions made by the winners of the "Chinese Population Awards" have indirectly re-

flected China's progress and experience in population and family planning work.

The population problem occupies a very important strategic position in China's economic and social development. Adopted at the Fifth Plenary Session of the 14th CPC Central Committee, the "Proposal for Formulating the Ninth Five-Year Plan and the Long-Term Targets for the Year 2010" set out a cross-century blueprint for China's socialist modernization. The "Proposal" not only set a target for per-capita economic growth but also a goal of population control which is required to be brought below 1.3 billion and 1.4 billion in 2000 and 2010 respectively. This is an important condition indispensable to fulfilling China's economic and social development targets.

The population problem is in essence a question of development. China has a big base population figure and high population growth rate, which result in relatively inadequate per-capita resources. This is China's specific condition. Even though China has achieved great successes in family planning, annual net population growth is still around 14 million and will increase by 200 million people over the next 15 years. Contradictions among population, farmland, food, resources, and environment will be sharper. Without strict population control or improvement in population quality, it will be impossible to realize population growth in coordination with that of the economy, society, resources, and environment; still less can sustained, rapid, and healthy national economic development or social progress be achieved. Therefore, we should, from an overall and strategic plane, understand in-depth the importance and urgency of resolving the population problem and more extensively mobilize all people to jointly strive to fulfill the population targets both for the Ninth Five-Year Plan period and for the year 2010.

The next 15 years will be an important period in which China will carry forward its population and family planning undertakings and forge ahead into the future. Not only is the second "Chinese Population Awards" a historical review and conclusion of past tasks, it also looks into the future and serves as a future mobilization. It is hoped that this year's presentation of the "Population Awards" will arouse a broad spectrum of actual workers and scientific workers to actively contribute and perform feats again for China's population and family planning undertakings!

**\*PRC: Marxist 'World View, Outlook on Life'  
Urged for Cadres**

96CM0145A Beijing ZHENLI DE ZHUIQIU  
[PURSUIT OF TRUTH] in Chinese 11 Jan 96  
No 1, pp 14-17

[Article by Li Pingshi (7812 1627 4258): "Inculcation of a Correct World View and Outlook on Life Requires Study of Marxism"]

[FBIS Translated Text] The Communist Party of China is the nuclear force powering the socialist cause in China. During this new historical period, the whole party is facing new grim tests. The party's ability to withstand these tests depends on the ideological and political quality of its cadres and members, as well as on the arduous efforts of the whole party. In view of the current task of building the party, and the situation inside the party today, Comrade Jiang Zemin has said many times recently that cadres and party members "must firmly inculcate a Marxist world view, outlook on life, and values." He believes that "inculcation of a correct world view and outlook on life has been, is, and will be the main concern of cadres and party members." This is fundamental to uplifting the ideological and political quality of cadres and party members, and to warding off corruption and guarding against degeneration. (See the speech delivered at both the Fifth Plenary Session of the Central Committee Discipline Committee, and the commendation ceremony for outstanding county CPC committee secretaries on 23 January and 30 June 1995 respectively.) It should be said that diligent implementation and fulfillment of these instructions of Comrade Jiang Zemin is a matter of great importance in the ideological and political building of the party.

Inculcation of a Marxist world view, philosophy of life, and values are matters that have not been talked about for many a year. Now, Comrade Jiang Zemin has said once again that they should play a resounding role.

Party members, particularly leading cadres, must study diligently and steep themselves in Marxist theory in order to establish a working class standpoint, socialist convictions, and communist ideals, and in order to make a determined effort to battle and to devote oneself to the cause. Otherwise, so-called "firm inculcation" etc. may only become empty words.

One major ideological obstacle to the diligent study of Marxist theory and the inculcation of a Marxist world view is failure to take seriously the pervasive influence of the theory of spontaneous advance as a study theory, and the widespread influence of a pragmatic frame of mind. In the view of some party cadres, this is a time

when everyone is busy with reform and opening to the outside world, and economic construction. Who has the time to study Marx? Others suppose that Marx's and Mao Zedong's works are mostly about "revolution," but nowadays "construction" is the thing, so no "ready answers" are to be found in their works. In other words, so-called revolutionary Marxism" is passe. Even if one studies it, it cannot be put to use. One would do better to "test" and "do" oneself. A small number of people feel that economic construction and development of a market economy is a matter of "survival of the fittest." So long as you make money, get "material benefits," and live well, who cares about some "ism." Some party cadres abuse authority for personal benefit, act unscrupulously, break the law and violate discipline, and are debauched and degenerate. They have long since ditched "isms," "convictions," and "ideals!" At a time when the international communist movement is at low ebb, and during a period of reform, opening to the outside world, and profound changes in society, the appearance of this kind of confused ideology and a small number of waverers and degenerates is strange indeed. The key problem is the party organization and units that propagandize public opinion. Comrade Jiang Zemin's important instructions must be diligently implemented and realized as a matter of great importance in doing more to build party ideology.

A Marxist world view, philosophy of life, and values do not come about spontaneously. During the course of their movement to oppose exploitation and oppression, the working masses cannot create their own independent ideological system. "Through reliance on their own strength, the working class can only shape a consciousness of trade unionism." Marxism, i.e., scientific socialist theory, "can only be instilled from outside." ("Collected Works of Lenin," Second edition, Vol 6, p 29). Only through the study and acceptance of Marxism can Communist Party members obtain the self-awareness and class consciousness of the working class, firmly begin to inculcate the world view, philosophy of life, and values of Marxism, and use them to guide their own actions, and to overcome the world view, the philosophy of life, and the values of the bourgeoisie, so that they can proceed in the direction of socialism and communism. There is no doubt at all that socialist practice forms the basis for the study and application of Marxism; however, if one is preoccupied with concrete matters and does not study theory, and if one values experience but slight theory, supposing that it is possible to dispense with the guidance of scientific theory and depend solely on one's own "testing" and "doing," that is to commit the errors of spontaneous advance and empiricism. In today's world, when the consciousness of the exploiting class has a pervasive and profound influence, any slight-

ing of, and any departure from the socialist ideological system means strengthening of the bourgeois ideological system (op. cit., p 38). Therefore, it is of extremely important practical significance for Communists, particularly leading cadres, to study conscientiously and to steep themselves in the basic Marxist works, to understand fully and accurately this scientific system, and to master its standpoint, point of view, and methods little by little, as well as, to establish a correct world view, philosophy of life, and values that they can use to guide their own thoughts and actions.

The Marxist world view, namely dialectical materialism and historical materialism, forms the philosophical basis and the foundation for the methodology of the Marxist ideological system. This modern materialist philosophy steadily capsulizes and summarizes the achievements of modern science and human ideology and culture, and has become the "quintessence of the spirit of the age." As the "algebra of revolution" and a wonderful tool for understanding, materialist dialectics not only clarify the dialectical view of all world development, but also permit mankind to use a scientific viewpoint and mode of thought for the first time to understand his own history. It was Marx's two great discoveries of the materialist view of history and the theory of surplus value that changed socialism from fantasy to science. Accordingly, Marxism both reveals the general laws of social development, and demonstrates the objective inevitability and historical appropriateness of socialist's society replacement of capitalist society, and shows clearly the historical trend of socialism evolving into communism. Only by understanding this scientific world view and methodology can a Communist see and think clearly and take a farsighted view, and can he understand the standpoint that he maintains, and the scientific character and consciousness of his convictions and ideology, thereby generating confidence in inevitable victory, and lofty revolutionary sentiments. Only by standing on such historical heights can a Communist Party member devote himself to victory in the socialist cause, and to ultimate realization of communist ideals, regarding them as the most significant pursuits in his own life, and the highest values of human life. Only when one has such spiritual underpinning can one have an inexhaustible spiritual motivation and a lofty and substantial ideological plane. Therefore, establishment of a dialectical materialist world view is the theoretical foundation for inculcation of a correct philosophy of life and values, and this correct philosophy of life and values is the organic unity of far-reaching ideals, firm convictions, and a concrete course in life.

In the present age and in China today, it is only through practice, through the study of Marxist theory, and by

firmly establishing a correct world view, philosophy of life, and values that the rank and file of party cadres can withstand the tests of reform and opening to the outside world and the pounding of the "commercial tide," and can resist the corrosion of decadent bourgeois ideology and money, and the lure of attractive women to maintain the progressiveness, the purity, and the political qualities of a Communist Party member who truly serves the people wholeheartedly. This is one thing. At the same time, the international communist movement is at low ebb today. All sorts of intricate and complex contradictions exist in China's modernization. Internationally, all sorts of forces change constantly and unpredictably, weaving and bobbing. This also requires party cadres to take a strategic view. They must be vigilant against hostile forces that plot the "westernization" and the "break up" of China. They must fully and accurately understand and carry out the strategies and tactics that the Central Committee has formulated in order to be able to deal adroitly with complex situations and events. Only if one has established a solid Marxist world view, methodology, and philosophy of life can one become our political "telescope" and "microscope" for observing and dealing with these problems, and only in this way can the political acumen and wisdom it confers be in an unassailable position.

Study of Marxism, and inculcation of a correct world view, philosophy of life, and values requires, first of all, a firm working class standpoint. Class standpoint and world view are two sides of the same coin. Dialectical materialist philosophy is the scientific world view of the working class. It is only by adopting the working class standpoint, representing the fundamental interests of the working class, working for the welfare of the majority, and serving the people wholeheartedly that one can learn to understand these things, and master and apply them. Learning this world view can also make one's working class standpoint more solid and more conscious. Attempting to study Marxism while working only for one's own interests, or adopting the standpoint of another class is like trying to put a square peg in a round hole. It is like looking one way and rowing another. The reason is very simple. Marxism and its world view have a distinct class character. Its purpose is to illuminate the way and guide people in eliminating classes, private ownership, and private ownership mentality step-by-step to realize socialism and finally communism. Any person who pursues goals that differ from or are contrary to these is incapable of understanding the spiritual essence of Marxism, and to fight for it his whole life long.



Second, the study of Marxism, and the inculcation of a correct world view, philosophy of life, and values requires a long period of ideological molding. Before he comes in contact with and understands Marxism, a person who lives in a certain environment will, to a greater or lesser extent, have some spontaneous awareness of the world, society, and human life, and he will be somewhat influenced by old ideology and old concepts. Therefore, the study of Marxism is a process of transformation, or ideological transformation, destroying the old to build the new, and negating the "old me," and molding a "new me" world view. This is an understanding process that Communist Party members consciously pursue and willingly choose. The party used to say that after a member enters the party organizationally, he has to go on to "enter the party ideologically," meaning that he has to "transform ideology" and "transform world view." This principle is Marx's. The problem is that the methods used were too simple, too crude, and too rigid in the past. They hurt people's sensibilities and self-respect. This mistake should not be repeated; however, the correctness of the principle should not be abandoned. In the struggle to advance the cause of socialism, all of us must reform our thinking, world view, and the correlation between the subjective and the objective in order to better understand and transform the world, and build a distinctive Chinese brand of socialism. This is a truth that applies to every Communist Party member without exception. Transformation of thinking, and transformation of world view requires the negation of old ideas and old concepts. One must give up individualism and various material gains associated with individualism. One must give first place to the interests of the people. This is bound to produce a collision and a clash among different ideologies, and it is also bound to be a long ideological molding process. Change in world view is a fundamental change. It means inculcation of a correct world view, philosophy of life, and values, as well continuing ideological transformation. This is a process of endless ideological uplift and renewal of understanding. It requires active ideological struggle within the party so that party members will constantly use party principles and discipline as their personal ethic, and accept the ethic of others, thereby attaining party political and ideological solidarity and unity. Without regular criticism and self-criticism within the party, liberalism, good-guyism, unconcern for principles, and failure to distinguish right from wrong would rob the party of vitality and combat strength. This would give rise to ideological splits and organizational laxity that would lead to the party's collapse and decomposition. Therefore, a regular organizational life and criticism within the party are also the requisite atmosphere and conditions for party members'

study of Marxism, and for the transformation of their world view.

Third, the study of Marxism, and the inculcation of a correct world view, philosophy of life, and values must be related to social practice. One cannot learn Marxism by studying behind closed doors, and through mechanical memorization that is divorced from practice and the masses. This is because, "the Marxist total world view is not religious doctrine, but methodology. It does not provide a ready-made dogma, but a starting point for further study, and a methodology for using this study." ("Complete Works of Marx and Engels," Vol 39, p 406). Therefore in studying and inculcating this world view, one must be guided by its fundamental point of view and methodology. One must study the new situations and new problems that have occurred in the process of China's reform and construction to derive an understanding that conforms with reality to serve as a guide for action, and to uphold and develop Marxism in practice. This is the same thing as the formerly frequently talked about transformation of one's own subjective world in the process of transforming the objective world. The so-called turning away from the study of Marxism because of inability to find "ready-made answers" in Marxism is a thoroughfare leading from dogmatism to revisionism. A correct attitude is to continue to "seek truth in facts," and to maintain the concrete and historical unity between theory and practice, and between the subjective and the objective. This is the academic atmosphere and attitude needed for study of the scientific system that is Marxism, and for the inculcation of a correct world view, philosophy of life, and values.

**PRC: Report on Leaders' Activities 14-21 Feb**  
**OW2302061496**

[FBIS Report] PRC media monitored by Okinawa Bureau from 14 to 21 February carried the following reports on PRC Central leadership activities. The source is noted in parentheses after each report.

**Li Ruihuan Chairs CPPCC Chairmanship Meeting**  
— The 35th meeting of chairman and vice-chairmen of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] opened in Beijing today. Li Ruihuan, member of the Standing Committee of Political Bureau of the CPC Central Committee and chairman of CPPCC National Committee, presided over the meeting and spoke. Secretary General Zhu Xun delivered a report on preparatory work of the Fourth session of the CPPCC Eighth National Committee. Also present at the meeting were CPPCC National Committee vice chairmen Wu Xueqian, Wang Zhaoguo, Hong Xuezhi, Qian Weichang, Sun Fuling,



and Zhu Guangya. (Beijing XINHUA Domestic Service in Chinese 0906 GMT 14 Feb 96)

**Jiang Chunyun Attends Spring Festival Reception**

— The United Front Work Department [UFWD] of the CPC Central Committee and the General Office of the State Council today sponsored a Spring Festival reception for consultants of the State Council and personnel of the Central Research Institute of Culture and History. Jiang Chunyun, member of the Political Bureau of the CPC Central Committee and vice premier, extended new year's greetings to the 40 or so invited consultants and personnel. Also present at the reception were Cheng Siyuan, vice chairman of the Standing Committee of the National People's Congress [NPC]; State Councillor and Secretary General of the State Council Luo Gan; Wang Zhaoguo, vice chairman of the CPPCC National Committee and head of the UFWD; Qian Weichang, vice chairman of the CPPCC National Committee. (Beijing XINHUA Domestic Service in Chinese 1331 GMT 14 Feb 96)

**Ren Jianxin, Luo Gan Call on Policemen** — Ren Jianxin, member of the secretariat of the CPC Central Committee and secretary of the Central Commission on Politics and Law; Luo Gan, state councillor and deputy secretary of the commission, paid a call to policemen on duty at the Beijing Western Railway Station today. (Beijing XINHUA Domestic Service in Chinese 0905 GMT 16 Feb 96)

**Peng Peiyun Pays New Year's Call on Workers**

— Peng Peiyun, state councillor and minister in charge of the State Family Planning Commission, paid a call on family planning workers, grassroots cadres, and needy one-child families in Tongxian County today. Accompanying her on the tour were Zhang Weiqing, vice minister of the commission and Beijing Vice Mayor Duan Qiang. (Beijing XINHUA Domestic Service in Chinese 1339 GMT 16 Feb 96)

**Song Jian Inspects Computerized Cargo Transport System**

— Song Jian, state councillor and minister in charge of the State Science and Technology Commission [SCTC], inspected a centralized civil aviation cargo transport computer system in Xidan, Beijing today. The system is a key project of the Eighth Five-Year Plan that was undertaken in March 1994 and was put into operation at the nation's six airlines recently, yielding good economic returns and social benefits. Accompanying Song Jian on the inspection tour were SCTC vice ministers Zhu Lilan and Deng Nan; Chen Guangyi, director of the Civil Aviation General Administration of China [CAGAC]; and CAGAC Deputy Director Shen Yuankang. (Beijing XINHUA Domestic Service in Chinese 1049 GMT 16 Feb 96)

**Wei Jianxing Pays New Year's Call on Steel Workers**

— On 16 February, Wei Jianxing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal CPC Committee, together with other officials of the Beijing municipal CPC committee and government, paid a New Year's call to workers of the Shoudu Steel Corporation and the Nanjiao Liquid Gas Container Plant. At Shoudu, Wei Jianxing said that the steel company has made impressive progress in carrying out central guidelines, rectifying its guiding principles about business operation, and overcoming difficulties. It has been on the correct track. He stressed that even though enterprises are business organizations, they must follow General Secretary Jiang Zemin's instruction on giving prominence to politics. Giving prominence to politics is not just empty talk; rather, it requires enterprises to have the overall interests, the central government's policy, and the nation as a whole in mind when they handle their problems. (Beijing XINHUA Domestic Service in Chinese 1500 GMT 16 Feb 96)

**Li Tieying Attends Housing Reform Conference**

— The 10th meeting of the State Council's Leading Group for Housing System Reform [LGHSR] was held yesterday in Beijing to examine "Regulations Concerning Management of the Public Housing Common Reserve Fund" and the "1996 Plan for State Comfortable Housing Project." Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor, and head of the LGHSR, spoke at the meeting. (Beijing XINHUA Domestic Service in Chinese 0113 GMT 17 Feb 96)

**Li Tieying Calls on Artists, Teachers**

— On 13 and 14 February, Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, paid new year's call to theatrical groups, schools, and film studios under the Ministry of Culture and Ministry of Radio, Film, and Television. (Beijing XINHUA Domestic Service in Chinese 1027 GMT 16 Feb 96)

**Leaders Pay New Year's Call on Veterans**

— Entrusted by the CPC Central Committee, the NPC Standing Committee, State Council, the CPPCC National Committee, and the Central Military Commission [CMC], leading comrades including Tian Jiyun, Jiang Chunyun, Qian Qichen, Wei Jianxing, Wen Jiabao, Wang Hanbin, Zhang Zhen, Zhang Wannian, Chi Haotian, Ren Jianxin, Li Guixian, Chen Junsheng, Luo Gan, Wu Xueqian, Wang Zhaoguo, Hong Xuezhi, and Qian Zhengying have made new year's calls on — or asked leading comrades of the relevant provinces and cities to call on their behalf — veteran comrades including Wang Ping, Wang Shoudao, Wu Xiuquan, Liu Lantao, Jiang Hua, Li Desheng, Xiao Ke, Yu Qiuli, Zhang Jingfu, Zhang Aiping, Lu Dingyi, Chen Xilian,

Duan Junyi, Geng Biao, Ji Pengfei, Huang Hua, Huang Huoqing, Xi Zhongxun, Peng Chong, Zhou Gucheng, Yan Jici, Ye Fei, Liao Hansheng, Wang Fang, Fang Yi, Gu Mu, Ma Weirui, Wang Enmao, Yang Chengwu, Lu Zhengcao, Wang Feng, Zheng Tianxiang, Yang Yichen, Liu Fuzhi, and Wang Heshou. (Beijing XINHUA Domestic Service in Chinese 0937 GMT 17 Feb 96)

**Rong Yiren and Tian Jiyun Attend Guangdong Spring Festival Get-together** — On the evening of 16 February, the Guangdong Provincial CPC Committee and Government, and the Guangdong Military Region sponsored a spring festival get-together. Vice President Rong Yiren; Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice chairman of the NPC Standing Committee; Xie Fei, secretary of the Guangdong Provincial CPC Committee; and Song Renqiong, vice chairman of the now-defunct Central Advisory Commission, attended the get-together. (Beijing Central Television Program One Network in Mandarin 1030 GMT 17 Feb 96)

**Song Jian Pays New Year's Call on Veteran Scientists** — On behalf of the CPC Central Committee, State Council, and the science circles, Song Jian, state councillor and minister in charge of the State Science and Technology Commission [SCTC], today paid a new year's house call on three veteran scientists living in Beijing today. (Beijing XINHUA Domestic Service in Chinese 1127 GMT 17 Feb 96)

**Wu Bangguo, Jiang Chunyun, Huang Ju Celebrate Spring Festival** — Wu Bangguo and Jiang Chunyun, both are members of the Political Bureau and the Secretariat of the CPC Central Committee and vice premiers, took part in Spring Festival celebrations in Shanghai and Shandong, respectively, today. In Shanghai, Wu Bangguo attended a Spring Festival get-together at which Huang Ju, member of the Political Bureau of the CPC Central Committee and secretary of the Shanghai Municipal CPC Committee, made a speech extending greetings to Shanghai's cadres and workers. In Jinan, Jiang Chunyun attended the Spring Festival mass greetings gathering together with officials of the Shandong Provincial CPC Committee and Government. (Beijing XINHUA Domestic Service in Chinese 1527 GMT 18 Feb 96)

**Peng Peiyun Attends Spring Festival Gathering in Guangzhou** — Chen Munhua, Peng Peiyun attended a spring festival get-together together with red army veterans and over 10,000 children at the China Children's Activity Center in Beijing the other day. (Beijing Central Television Program One Network in Mandarin 1030 GMT 21 Feb 96)

#### PRC: New Center To Handle Financial Law Violations

OW2202113296 Beijing XINHUA Domestic Service in Chinese 0742 GMT 13 Feb 96

[By RENMIN RIBAO reporter Li Jianxing (2621 1696 5281) and XINHUA reporter Fu Gang (0265 0474)]

[FBIS Translated Text] Beijing, 13 Feb (XINHUA) — With endorsement from the State Council leadership, the Auditing Administration has set up an offense-reporting center to handle reports of financial law and discipline violations by state administrative organs, institutions, and state-owned enterprises.

The center will focus on handling the following offenses: hiding budgetary income, diverting it for use in other areas, or transferring it without authorization; changing budgetary funds into extrabudgetary funds and expanding them in violation of regulations; setting up small private treasuries; transferring and holding income by state financial institutions; filing of false accounts by state-owned enterprises and institutions to hide profits and losses; causing serious losses of state assets in state-owned enterprises and institutions; exceeding the investment scale, standard, and estimate in key state construction projects and falsely reporting settlement of final accounts and construction funds diverted from other sources; losing or wasting special funds for education, research, old-age pensions, and unemployment insurance or diverting them for use in other areas, due to bad management; failing to follow regulations in managing and using international aid and loans; state-owned units engaging in tax evasions, tax fraud, smuggling, and pocketing state assets by transforming state funds into private or group funds.

The address of the offense-reporting center is as follows: 1 Beihuyuan, Xichengqu, Beijing; postal code 100830; telephone 010- 8301570/8301241. It has been learned that the auditing administrations of various provinces, autonomous regions, and municipalities directly under the central government will also set up their own offense-reporting centers.

#### Science & Technology

##### PRC: 'Major' Results Achieved in Laser Technology Research

OW2202114896 Beijing XINHUA Domestic Service in Chinese 1003 GMT 12 Feb 96

[By reporter Xi Qixin (1153 0796 2450)]

[FBIS Translated Text] Beijing, 12 Feb (XINHUA) — Since the "863" high technology research and

development program began to be implemented 10 years ago, China has achieved some major results in the research of laser technology, of which 206 won state and ministerial-level technology awards. Research results of a number of laser technologies, including X-ray lasers, free electrons lasers, oxygen-iodine chemical [yang dian hua xue 8638 4290 0553 1331] lasers, high-power solid lasers, and quasi-molecular [zhun fen zi 0402 0433 1311] lasers have reached the current international levels.

Laser technology is an important part of the state's "863" high technology research and development program. Nearly 2,000 scientists and technical workers of more than 30 scientific research units and colleges and universities across the country have taken part in the research work. With hard work and joint efforts to tackle key technical problems over the last decade, they have made breakthroughs in some sophisticated technologies and successfully conducted many important experiments, paving the way for the rapid development of some related research.

— Research results in X-ray lasers were notable. China conducted for the first time in 1988 experiments on the gains of XUV wave band lasers, successfully making X-ray lasers with the use of an electron collision excitation [dian zi peng zhuang ji fa 7193 1311 4314 2326 3423 4099] mechanism and three-compound [san ti fu he 0003 7555 1788 0678] mechanism. In 1994 China led the world in successfully amplifying the travelling wave of neon-germanium-like [lei nai zhe 7352 6036 7926] soft X-ray lasers, enabling outputs of X-ray laser rays to become saturated and setting a world record in achieving effective gains.

— Major breakthroughs were made in the research of free electrons lasers. In May 1993 China used a China-made free electrons laser generator to successfully observe for the first time in Asia the oscillation signals of an infrared free electrons laser, and successfully achieved saturated oscillation in the same year. In April 1994 China again successfully conducted physical experiments on a free electrons laser amplifier, achieving an output power of 140 megawatts. This achievement currently tops other Asian countries.

— Research in oxygen-iodine chemical lasers was raised to a new level. In 1991 China achieved outputs of more than 100 watts in the continuous wave [lian xu bo 6647 4958 3134] oxygen-iodine chemical laser power. Currently, China-developed supersonic continuous wave oxygen-iodine chemical laser installations have generated laser output power of more than 5,000 watts, reaching the current world level.

— Research in high power solid lasers and inertia-controlled fusion [guan xing yue shu ju bian 1977 1840 4766 2631 5112 6239] developed rapidly. The instantaneous output power of the Shengguang-1 solid laser installation, which was completed in 1986, reached 1 billion kw. In the research of inertia-controlled fusion, China has successfully conducted large and comprehensive experiments on directly driven and indirectly driven target inner-pellet released [zhi jie qu dong he jian jie qu dong ba wan nei bao chu 4160 2234 7517 0520 0735 7035 2234 7517 0520 7249 0029 0355 3615 0427] neutrons. Last year, China again developed the Shengguang-2 solid laser installation using various new technologies; its triple-frequency [san bei pin 0003 0223 7340] output reaches 3,000 joules.

— Encouraging progress was made in the research on quasi-molecular lasers. The China-developed Tianguang-1 quasi-molecular laser installations currently are the important candidate driving machine for conducting inertia-controlled fusion energy research. Some key technologies for the research in this field were adopted for the first time in China.

**PRC: Visit to Daya Bay Nuclear Power Plant Noted**  
OW2302111996 Beijing XINHUA Domestic Service  
in Chinese 2101 GMT 12 Feb 96

[By XINHUA reporter Zhu Youdi (2612 1635 2769):  
"A Visit to the Nuclear Island"]

[FBIS Translated Text] Beijing, 13 Feb (XINHUA) — In January, the wind was fair and the sea was calm in Daya Bay.

Above the surrounding green trees and red flowers stood two gigantic buildings of the Daya Bay Nuclear Power Plant, each more than 60 meters high, looking mysterious and dignified.

A nuclear power plant is composed of two main parts: a nuclear reactors and a generating unit, commonly called a nuclear island and a conventional island. These plant buildings, seen against the backdrop of mountains and water, looked like a group of small islands.

As we drove northeast along a coastal highway from Shenzhen for an hour and more, the shining blue Daya Bay greeted our eyes. Thermal power plants have tall chimneys belching out smoke, but no such scene was found at this nuclear power plant. Neither could one detect the hustle-bustle here. This large power plant, boasting two 900,000-kilowatt generating units, was staffed with only 1,000 workers and staff members. A rigid security check was required before entering the plant. No one could get into the plant without inserting a magnetic identification card and typing a



secret identification number. Only when everything had been checked carefully were we allowed to enter the plant, where everything was kept in good order. Entering the conventional island and climbing up a 13-meter work platform, we could see two sets of 900,000-kilowatt generating units. Like a thermal power plant, a nuclear power plant is generated by steam. We saw three large steam pipelines where the conventional island and the nuclear island met. The only difference between a nuclear power plant and a thermal power plant is this: At a nuclear power plant, uranium is used as fuel to turn water into steam, which is in turn used to drive the generators. Under a situation of worsening pollution and increasing shortages of petroleum and coal, nuclear energy, being a clean energy resource, begins to demonstrate its irreplaceable advantage.

Zhou Zhanlin, president of the Guangdong Nuclear Power Company, told us only two truckloads of fuel are used by the First Nuclear Power Plant in Daya Bay each year.

The most mysterious and worrisome part of a nuclear power plant is located on the nuclear island.

The second reactor of the Daya Bay Nuclear Power Plant was being refueled. It was also under investigation for any possible repairs. President Zhou Zhanlin said: Do we have any radioactivity problems? Seeing for oneself is a hundred times better than hearing from others. He suggested that we enter the nuclear island.

The nuclear island is a work area where one could be affected by radioactive elements. The security check for entering this area was even tighter. At the Daya Bay Nuclear Power Plant, all rules and regulations should be strictly followed, including more than 1,000 operating rules and more than 7,000 maintenance and repair rules. Xie Zhenhua, director of State Bureau of Environmental Protection, was right when he said there will be no future for nuclear power undertakings if there is no nuclear safety.

Many enterprises have required us to wear work clothes and safety helmets when we entered their plants, but none was so rigid about safety requirements. Like other workers on duty, we were required to take off all clothes except our underwear and put on white overalls. All people inside the nuclear island were to be monitored for absorbed radiation. Everybody wore an electronic radioactivity detector with a "zero" on it. Inside the work area, any change in nuclear radiation would be shown on the electronic detector. Passing through a long, zigzag passage, I kept constant watch on my electronic detector, which showed not the slightest change. Finally, we came to a nuclear fuel pool. The pool was 12 meters deep and clear. One could see the bottom of the pool,

where many cases of fuel were placed. Exposing these cases of fuel without water would cause a fatal accident in a minute. In the pool, clear water was running to cool off the heat released by the nuclear fuel. Every time the fuel is changed, about 50 fuel modules are replaced, but the fuel change cannot cause any damage to human bodies because it is conducted underwater. An expert told us that boron had been added to the water to absorb neutrons. The Daya Bay Nuclear Power Plant uses a pressurized-water reactor. In addition, a 90-centimeter prestressed safety shell has been built outside the nuclear island, lined with a 6-millimeter steel plate to ensure that no radioactive elements will escape. Under the operating rules, if two safety-related parts are out of order, the reactor must be shut down. When we left the nuclear island, we still had to undergo various kinds of inspections, including a nuclear radiation test. I felt relieved when I knew that all was safe and sound, thanks to all kinds of security measures.

Twilight was merging into darkness when we left Daya Bay for Shenzhen, which was brilliantly illuminated with millions of lights.

### Military & Public Security

#### PRC: Liu Huaqing Urges Priority to Ideology in Army Building

OW2202143196 Beijing XINHUA in English  
1412 GMT 22 Feb 96

[FBIS Transcribed Text] Guangzhou, February 22 (XINHUA) — A Chinese military leader called today for top priority to be given to ideology and politics in army building.

Liu Huaqing, vice chairman of the Central Military Commission, made the remarks during a visit to the First Red Company of the Guards Battalion of the Guangzhou Military Area Command.

Liu visited kitchens and barracks and chatted with officers and enlisted personnel.

He told them to make a contribution to the nation, build a revolutionary outlook in their lives, respect officers, care about the lives of ordinary soldiers, and work hard, as Central Military Commission Chairman Jiang Zemin has asked them to do.

Liu said that soldiers should be ever more conscious of supporting national defense and of resisting the temptation to worship money and hedonism.

He said that politically qualified officers and enlisted personnel are essential for establishing a perfect military force, and for this end priority should be given to ideology and politics.

"We must study new developments and solve new problems that crop up, and make political education more effective and tie it to specific conditions," he said.

Liu also listened to a report by Guangdong Party and government officials on the economic construction and other fields in the south China province, and visited some retired army officers.

**PRC: Liu Huaqing Visits Guangzhou MR Unit**

*OW2302034496 Beijing XINHUA Domestic Service in Chinese 1422 GMT 22 Feb 96*

[By reporters Zheng Guolian (6774 0948 5114) and Hu Xunjun (5170 6064 6511)]

[FBIS Translated Text] Guangzhou 22 Feb (XINHUA) — Braving cold wind and drizzle on the morning of 21 February, Liu Huaqing, a member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the Central Military Commission, visited officers and men of the First Company of the Guard Battalion as well as duty personnel of military institutions under the Guangzhou Military Region [MR], wishing them a happy spring festival. During discussion meeting with cadres and soldiers of the battalion, Liu Huaqing called for placing the building of ideology and politics on top of all others in building a battalion with all-round toughness.

After visiting the battalion's cooks from whom he inquired into food arrangements, Liu Huaqing proceeded to squad and platoon dormitories, where he shook hands with soldiers and wished them a happy new year. On hearing the soldiers' experience in unfolding the "four educations" in the battalion, Liu Huaqing said: Since President Jiang Zemin initiated last year the "four educations" of patriotic dedication, revolutionary outlook on life, respect for cadres and love for soldiers, and hard work, marked results have been achieved at all levels throughout the Army. The drive will be continued and intensified this year. The battalion's on-going "four educations" primarily focus on solving the fundamental question of "for whom to live for, and how to lead life," so as to help soldiers establish a correct outlook on life and value concepts; overcome the impression that joining the Army is a loss; and thus enhance not only their awareness to dedicate themselves to national defense, but also their resistant power against the corrosion of money worship and hedonism.

During the discussion meeting, Liu Huaqing made detailed inquiries on the over-all construction of the battalion. He was glad to learn that good progress has been made in such areas as party branch building, military training, education management, and life security, say-

ing that it is exactly what they have been doing in building a battalion with all-round toughness according to President Jiang Zemin's five-sentence instructions. To build a battalion with all-round toughness, we should first lay a good ideological foundation while nurturing and training politically qualified cadres and soldiers. The Army must at all times place ideological and political building on top of all others. As the battalion's political education serves as an important means to guarantee the political qualification of cadres and soldiers, it should cover both theory and practice. It is necessary to continuously study new situations, solve new problems, and enhance the effectiveness and specification of political education. If society itself is a big lecture room, it should be fully utilized. Soldiers should have early knowledge of economic construction going on in areas where they are stationed, local people's living standards, and the conditions of spiritual civilization building, from which they may absorb rich spiritual nutrition. We should further encourage political enthusiasm among officers and men, motivating them to love the Army, learn more military skills, learn from the people, love the people, and work for the people.

Liu Huaqing concluded his visit at the battalion's cultural activity center where he enthusiastically joined soldiers in singing "The People's Army is Loyal to the Party."

Earlier, Liu Huaqing was briefed by leading comrades of the Guangdong Provincial Party Committee, provincial government, Guangdong City Party Committee and government on economic construction and "double support." Together with General Political Department Director Yu Yongbo, he also visited some veterans in the Guangzhou Military Region.

**PRC: Jiang Zemin, Others Attend Army-Civilian Theatrical Soiree**

*HK2302092296 Beijing JIEFANGJUN BAO in Chinese 15 Feb 96 p 1*

[By reporters Wang Wenjie (3769 2429 2638) and Chen Dapeng (7115 1129 7720): "Jiang Zemin, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and Other Party and State Leaders Attend Army-Civilian Spring Theatrical Soiree"]

[PTS Translated Text for FBIS] Beijing, 14 Feb (JIEFANGJUN BAO)—While gaily celebrating the achievements attained in the Eighth Five-Year Plan and advancing with full confidence toward the Ninth Five-Year Plan and cross-century goals, the soldiers and civilians of our country are ushering in the Spring Festival. Today, Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman

of the Central Military Commission, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and other party and state leaders have happily gathered under the same roof with soldiers and civilians in the capital to watch a grand Army-civilian theatrical soiree, "Forever Spring for the Motherland," at the China Theater and joyfully see in the lunar New Year.

Other leading comrades of the party, state, and government attending today's soiree include Ding Guangen, Li Tieying, Jiang Chunyun, Wei Jianxing, Zhang Zhen, Zhang Wannian, Chi Haotian, Ren Jianxin, Wang Guangying, Buhe, Luo Gan, Zhu Guangya, Fu Quanyou, Yu Yongbo, and Wang Ke.

Today, the China Theater has been decorated with highly hung big red lanterns and colorful neon lights, and the soldiers and civilians attending the soiree are immersed in a joyful and harmonious festive atmosphere.

Jointly sponsored by the Leading Group for Double-Support Work, the Ministry of Civil Affairs, the Ministry of Radio, Film, and Television, and the General Political Department, the 1996 Army-civilian theatrical soiree consists of three parts, i.e. "Joyful Songs of Close Friendship," "Shining Army Emblems," and "Colorful Flower Season." Through numerous artistic forms, such as songs, dances, and acrobatics, they express the long-standing close friendly feelings between the Army and the people and the lofty aspirations of the people's Army in vigorously carrying out the modernization drive; demonstrate the spiritual outlook of the Chinese people, who joyously celebrate the achievements attained in the Eighth Five-Year Plan and advance with full confidence toward the Ninth Five-Year Plan and cross-century goals; and carry the profound meaning that China's socialist modernization cause is always full of vigor and vitality like spring. The entire performance expresses the firm conviction of the soldiers and people across the country who, under the leadership of the party Central Committee and the Central Military Commission with Comrade Jiang

Zemin as the core, work hard for the grand socialist modernization drive; it also expresses their true feelings of loving the party and the motherland.

The soiree gathered together outstanding creative works and performers from all literature and art troupes in the Army. Peng Liyuan, Dong Wenhua, Wang Xiufen, Yan Weiwen, Yu Junjian, Song Zuying, Han Zhiping, Liu Bin, Cheng Guilan, Lu Jihong, Tong Tiexin, Li Danyang, Shen Peiyi, Huang Qicheng, Huang Hong, Guo Da, and others vied with one other to give performances. The familiar songs and dances, such as "People's Soldiers Are Good" and "The Grapes at Turban Are Ripe," are permeated with the close

friendship between soldiers and people; items put on by soldiers like "Soldiers' Weekends" and "Barrack Songs" reflect the fiery life in Army barracks; the "Three Gorges Symphony," "Pu Jiang's Evenings," and others delineate the magnificent blueprints of reform and opening up; short pieces like "It Is Hard To Sleep Tonight" and "Hitting the Mark at Random," as well as the "Happy Stockaded Village in the Border Area," "Silvery Thoughts," and other acrobatic items have novel ideas and are very interesting. The brilliant performances of the actors and actresses were accorded warm applause.

After the end of the performance, Jiang Zemin and other party and state leaders gladly mounted the stage and cordially shook hands with the performers, congratulating them on their successful performance.

Other leading comrades of the relevant central and state departments and Beijing Municipality watching the performances were Zeng Qinghong, Hu Guangbao, Zhang Qianjing, Doje Cering, Zhang Jiazheng, Shao Huaze, and Li Qian. Leading comrades of the three general departments, all major units stationed in Beijing, and the People's Armed Police Force including Cao Gangchuan, Wu Qianxu, Qian Shugen, Xiong Guangkai, Dong Liangju, Zhou Ziyu, Xu Caihou, Tang Tianbiao, Yuan Shoufang, Zhou Kunren, Wang Tailan, Zhou Youliang, Shen Binyi, Zuo Jianchang, Liang Hong, Lu Zengqi, Li Laizhu, Gu Shanqing, Zhang Lianzhong, Yang Huaqing, Yu Zhenwu, Ding Wenchang, Liang Guoliang, Sui Yongju, Ding Heng-gao, Li Jinai, Xu Huizi, Zhang Gong, Xing Shizhong, Wang Maorun, Yang Guoping, and Xu Yongqing, as well as all comrades of the Li Guoan's Deeds Report Team, also watched tonight's performances.

#### PRC: Large Military Exercises To Begin Soon in Fujian

HK2302045896 Hong Kong SING TAO JIH PAO  
in Chinese 23 Feb 96 p A4

[Report by special correspondent Hsiao Peng (5618 7720): "Large-Scale Military Exercises To Be Launched in Next Few Days, Long-Distance Covered Surprise Attack at Night Has Been Successful"]

[PTS Translated Text for FBIS] The first round of mainland military exercises based on the Navy, which started earlier this month, will end within the next few days along the Fujian coast. Another round of military exercises based on the infantry and Air Force will start within the week. The flow of People's Liberation Army (PLA) forces into Fujian has resulted in serious traffic congestion both on the ground and in the waters of the province.



According to the cable channel of Taiwan's Television Broadcasting System, mainland armed forces will launch large-scale military exercises aimed at Taiwan around 10 March. The Taiwan military believes that war planes and short-range missiles will be used in the combined military exercises. In addition, the exercises will be closer to Taiwan than any of the previous exercises held over the past eight months.

According to a source, the first round of large-scale military exercises conducted in Fujian was based on the Navy. The Donghai Fleet and Nanhai Fleet dispatched a task force composed of large numbers of guided-missile destroyers, escort vessels, and landing craft to carry out a long-distance surprise operation. Thanks to the shells and missiles fired by the vessels and cover offered by the Navy's airborne units, the marines made amphibious landings by force at a number of locations along the Fujian coast.

In order to cooperate with the military exercises, a number of coastal ports in Fujian were closed one after another beginning on 5 February to allow the Navy to conduct landing exercises. The Navy also conducted various kinds of drills, including a sea blockade and sea-air confrontation. Reportedly, the long-distance covered surprise attack launched by the Navy was successful. A number of mixed units used the cover of night and electronic interference to evade the "enemy's" satellite and radio monitoring, arrive at the destination, and successfully launch a surprise attack. Their success was commended by the Central Military Commission.

Because an operation against Taiwan in the future would be focused on the combat-effectiveness of the Navy, the Navy played the main role in the exercises. In addition to the marine attacks, landing operations, and sea blockade, the Navy was also responsible for delivering large numbers of ground forces to take part in the operation. For this reason, Fujian's coastal ports have had to close for one month to ensure the military exercises proceed smoothly and avoid accidentally injuring civilians.

Reportedly, the first round of military exercises conducted by the Navy alone will end within the next few days. The Navy units will stay in position and join the military exercises launched by the ground and air forces later. The infantry, Air Force, missile units, armored troops, and air defense troops will conduct exercises by various arms and services in turn. Later, the Navy, infantry, and Air Force will jointly launch "historic" PLA military exercises, the largest of their kind since 1949. The large-and small-scale military exercises will last more than a month.

#### **PRC: Columnist Relates 'Scenes' of Military in Fujian**

*HK2302062396 Hong Kong SING TAO JIH PAO in Chinese 23 Feb 96 p a4*

[From "New Eye" column by Hsiao Peng (5618 7720): "Marvelous Sights of Military Exercises"]

[PTS Translated Text for FBIS] Fujian has once again become a "front" this year, with a very strong smell of gunpowder. The military exercises under way [jin xing zhong di jun shi yan xi 6651 5887 0022 4104 6511 0057 3348 5054] have created many "marvelous scenes."

#### **Vehicles Loaded With Pigs Race Against Military Vehicles**

Hundreds of thousands of troops have swarmed into Fujian, resulting in instant shortages in non-staple food supplies in the province, pork in particular; the price for a kilogram of lean pork rocketed to 32 yuan, more than double. For this reason, army rear supply units and Fujian commercial departments had to take emergency measures to transfer large numbers of pigs from Zhejiang and Jiangxi to Fujian. Hence, on major highways and railways leading to Fujian, large numbers of vehicles loaded with pigs and vehicles carrying servicemen and munitions have been heading for Fujian, thus forming a marvelous scene of "vehicles loaded with pigs" racing against military vehicles on the road.

#### **Busy Land and Air Traffic Becomes Busier**

Hundreds of aircraft and hundreds of thousands of troops have swarmed into Fujian, making the province's busy traffic even busier. More often than not, trains and scheduled flights have been several hours late. Fujian and Xiamen Airports have constantly had to close for hours to guarantee the takeoff and landing of military aircraft, and sometimes scheduled flights had to be canceled to deal with the demands of the exercises.

When an airliner lands in Fuzhou or Xiamen Airport, the air attendant asks passengers to lower the window shades to prevent them from viewing the activities of military aircraft and deployment conditions. The overwhelming majority of various coastal ports have already been closed, with some of them marked as military prohibited areas, strictly off-limits to outsiders.

#### **Tension Is Even Stronger Than in the Quemoy Gun Battle**

An official in Fujian said that the atmosphere in the province is even tenser than in 1958, when the bombardment of Quemoy took place. Various coastal areas of Fujian have already turned into a "green ocean," with



Army units, military vehicles, barracks, and military equipment everywhere. On coastal highways, military vehicles and gun carriages rumble along; military equipment stretches for scores of kilometers along the beach; and fighters constantly tear through the sky. At present, Taiwan officials are not breathing a word about the military exercises; likewise, Fujian officials will change the subject as soon as the exercises are mentioned; they, too, are suffering from a "blindness to the exercises." Local officials have canceled the activities of conveying greetings and appreciation to the three services during the spring festival, a practice they have maintained for scores of years; nor did senior officers of the Army attend the "spring festival mass greetings" organized by local governments.

**PRC: Editorial Endorses Vigorous Training for Military Forces**

*HK2302083996 Beijing JIEFANGJUN BAO  
in Chinese 14 Feb 96 p 1*

[Editorial: "Conduct Training Strictly in Accordance With the New Program; Speed Up Building of Combat Effectiveness—Written at the Time When Training Begins in the New Year"]

[PTS Translated Text for FBIS] A new chapter has been opened in our Army's military training in 1996. The ground, naval, and air forces and armed police forces are vigorously carrying out training in the new year from the new starting point in accordance with the training program of the new generation. This is a great event of overall significance in the field of training and an important measure for speeding up our Army's development and the building of its combat effectiveness.

The training program of the new generation is the embodiment of the implementation of the military strategy and principles in the new period. In light of Chairman Jiang's demand to "be tough militarily" and the military strategic principle in the new period, the armed forces of the whole Army reformed the contents of training over the past three years and attained phased achievements. While repeatedly testing and demonstrating these achievements and through condensing scientific theories, we have established the military strategic principle for the new period and the corresponding system for training content. The completion of this grand project will further push our Army's military training to a new stage of deepening and popularizing the achievements of reform.

To comprehensively conduct training in accordance with the training program of the new generation, a very important point is to profoundly understand and

master the spiritual essence of the new program. Perhaps some comrades may say that no matter how you change the content of training, you cannot achieve anything with the same equipment. Central Military Commission Chairman Jiang Zemin pointed out: We should make strenuous efforts to do a good job of Army training and make up for the gap in technology and equipment with qualitative training. This directive of Chairman Jiang has illuminated the direction for us to seek development in military training and improvement in military quality. The essence of the training program of the new generation which took shape through reform is to train high quality military personnel with the available equipment and develop the capability to win local wars under high-tech conditions.

The training program is the hallmark of an army's training level. The training program of the new generation reflects the developing trend of military science and has the clear-cut characteristics of the times. First, it embodies the overall operational principle of various arms and services. Composed of the six major programs of the infantry, navy, air force, Second Artillery, Commission of Science, Technology, and Industry for National Defense, and Armed Police Headquarters, the new program forms an integrated system that standardizes the principles and content of the whole Army's training and develops overall combat effectiveness. Second, it gives prominence to the characteristics of local wars under high-tech conditions. All the arms and services have increased the proportion of studying the situation of the opponent in operations, offered difficult training topics which include anti-reconnaissance, air defense, and anti-interference in local wars under high-tech conditions, and developed night operations training. Third, it gives prominence to training officers and leaders of the organs, which provides leaders and organs new skills in commanding warfare under high-tech conditions. Fourth, in light of the different tasks of various units, the training content of different missions offered by the new program and the strengthening of tactical training are designed in accordance with the requirement of combined tactical topic and element training, which forms an integrated system of training content. Serious study, understanding, and practice of the training program of the new generation will further boost the confidence of the officers and men throughout the Army in using inferior equipment to conquer an enemy with advanced equipment.

The year 1996 will be one for deepening and popularizing the achievements of training reform, inheriting the past, and ushering in the future. We should make a good beginning of the new program and popularize the reform achievements of the past three years, and also

continuously deepen training, tactical, and drill reforms. Our training should be focused on confrontational training, and we should create a live battle environment so that units can undergo training under approximate combat conditions. Tactically, phased research achievements should be tested and improved in practice so as to attain the next leap in tactical study and gradually establish an operational theory and tactical system of the new generation that corresponds with the strategic military principle of the new period. With regard to management over training, it is necessary to improve training legislation, standardize the qualitative criteria for training institutionally and through policy, and establish a scientific training management mechanism. This requires that organs and leaders at all levels follow the unified plans and requirements of the general headquarters, grasp deepened reform on the one hand, popularize and pay attention to ideological and political work on the other hand, fully arouse the enthusiasm of the broad ranks of officers and men, exert themselves to make the country prosperous, constantly strive to become stronger, raise combat effectiveness to a new level, and turn our Army into a steel wall that will defend the country's sovereignty and territorial integrity and safeguard the unification of the motherland.

**PRC: Fujian Armed Police Corps' Intense Training Program Noted**

*HK2302022896 Beijing JIEFANGJUN BAO  
in Chinese 14 Feb 96 p 2*

[Report by Lin Xiuchuan (2651 4423 1557) and reporter Zhou Tao (0719 3447): "Fujian Provincial People's Armed Police Corps Pays Attention to Improving Rapid Reaction"]

[PTS Translated Text for FBIS] In an operational office of a command center of the Fujian Provincial People's Armed Police Corps on the southeast coast of China, a large plan for handling emergencies clearly presented various planned battlefields, troop deployments, personnel, and weaponry. Operators were processing data for training, duties, management, and others through several microcomputers that were arranged in a row in the office. This was a modern command center for the Fujian Corps comprising offices and facilities for training and operational command, thereby creating conditions for improving its ability to carry out duties under modern conditions.

The CPC Committee of the Fujian Provincial People's Armed Police Corps has actively developed command system, military technology, and tactical training for specific geographical conditions and social order in places where units are stationed; it has strived to enhance their capability to carry out their duties and han-

dle any emergencies under modern conditions. It first ensured that troop deployment, secure communications, reserve materials for operations, and political and logistical work were carried out and put great effort into developing command systems in certain major areas. A command center for the armed police containing an automatic command system was built in Fuzhou and another area. Forces were also organized to reconnoiter important areas and familiarize themselves with communications and roads on their way, already prepared camps, and communications liaison. On this basis, specific changes were made to the plans for protecting leading organs, providing security for large activities, and handling emergencies, thus significantly enhancing officials' organizational and command capability.

The corps also attached importance to tactical training for mobile units. Mobile units were sent to remote, thickly forested mountains where they conducted tactical training in capturing and annihilating under various situations for squadrons [zhongdui], platoons, squads, and individual soldiers and organized special service, artillery, and other squads to hold exercises in sieging, pursuing, intercepting, searching, and capturing which combined technology, tactics, and physical stamina in order to temper the units through mobilization and simulated operations and to improve their rapid reaction and capability to survive in the field.

**\*PRC: Tianjin Computer Control Supervision Office Reviewed**

*96CM0150A Beijing RENMIN GONGAN BAO  
in Chinese 23 Jan 96 p 3*

[Article: "'Guardian Angel' of Computer Security — Story of the Computer Control and Supervision Section of the Tianjin Municipal Public Security Bureau"]

[FBIS Translated Text] The Computer Control Supervision Office was founded in 1991. During the past several years, this office has received two collective commendations from the Tianjin Municipal Public Security Bureau, and has been named an "August 5" progressive meritorious collective by the Tianjin Municipal General Federation of Trade Unions. Three of its personnel have also received individual commendations from the Tianjin Municipal Public Security Bureau, three have been named outstanding Tianjin Municipal Public Security Bureau party members, one has been hailed as a progressive in Tianjin municipal government and law, one has been hailed as a progressive in hard working and clean government, one has been hailed as an outstanding regimental cadre in the Tianjin Municipal Public Security Bureau, one has been hailed as a technical crackerjack, and one as earned the honorable designation of Tianjin

Municipal Public Security Bureau progressive scientific and technical cadre. Comrades in the Computer Control Supervision Section have made a contribution to the security of the Tianjin Municipal Computer System, and in cracking down on and being on guard against computer crimes.

In order to do a good job of controlling and supervising computers in the city, first they determined the location of all computers in the city, models and applications, weaknesses and instabilities. In the investigation process, they covered virtually every computer-using unit in the city, and handed out more than 30,000 investigation forms for substantial clarification of the situation. They set up a computer record system, and a data bank on the use of computers in Tianjin. In addition, the Supervision Section enforced the law strictly, conducting a major computer security check once each year, and increasing the transparency of computer security supervision work. Consequently, the city's computer virus infection rate fell from more than 80 percent to less than 12 percent. In addition, they levied economic fines on the basis of "People's Republic of China Computer Information System Security Protection Regulations," the amounts varying with the severity of the offense, to units or departments that spread computer viruses resulting in losses and impairment.

In the course of their computer security supervision work, the Tianjin Municipal Public Security Bureau's Computer Security Section adhered to the principle that those in charge bear responsibility. They instituted mass protection and mass control, setting up a citywide computer security control network. In addition, they emphasized training of computer security control and protection personnel. During the past several years, they have held more than 100 computer security control training classes, which have trained nearly 10,000 people. They have already turned out a computer security control corps. With this as a basis, they have also begun an all-personnel training program for computer operators, requiring all personnel who use computers to undergo security training and be certified before assuming positions.

They have geared their work toward society, and have provided good service in recent years. They eliminated viruses from the computers of several thousand users, as well as harmful data that damage data and systems in computer information systems. Thus, they were able to forestall economic losses of hundreds of million yuan, and produced fine social benefits, which have earned the support and trust of society.

As computers have become more popular in recent years, more and more computer crimes have occurred.

To deal with this situation, comrades in the Computer Security Supervision Section of the Tianjin Municipal Public Security Bureau have increased protection against and study of computer crimes. During the past several years, they have helped the authorities concerned crack more than 10 computer crime cases. In recent years, the Tianjin Municipal Stock and Securities Exchange has become a beehive of activity. In order to prevent securities exchange computer crimes and accidents, they have conducted a special security inspection of the system, gained an understanding of how more than 100 securities exchanges throughout the city work, accumulated some data on computer crimes, and put an end to several computer outages and shareholder disturbances at the securities exchange caused by computer viruses.

At the end of 1994, the Supervision Section discovered pornographic media in the course of a major security inspection of computers in Tianjin. This made them realize that this might be a new kind of crime, so they organized an investigation at once, selecting for inspection two universities (Tianjin University and Nankai University), and eight leading enterprises. The inspection found six departments at Tianjin University, and five departments at Nankai University had pornographic software, and that the situation was serious. Even the student dormitory computers had obscene software. A pornographic software dissemination problem was also found at the eight enterprises that were inspected. The municipal bureau leaders viewed this matter very seriously, directing the launching of a month-long campaign in Tianjin to rid computers of pornography. After receiving this instruction, the Supervision Section immediately directed more than 20 expert computer technicians to make a major inspection of 26 institutions of higher education, 25 large and medium-size enterprises, and more than 100 computer sales outlets in Tianjin. They seized more than 10,000 copies of computer software containing harmful data, including counterrevolutionary, sexual, and obscene materials. In a single stroke, they wiped out five dens for the reproduction, sale, and dissemination of computer software of an obscene or counterrevolutionary nature. This produced a very big reaction throughout society. Experiences during the past several years in being able to usher in a new situation in computer security supervision in Tianjin have made them realize the following:

1. The close attention of leaders to computer security supervision work is the key.

Comrade Song Pingshun [1345 1627 7311], deputy mayor and concurrent Public Security Bureau director, has said many times when listening to reports about computer supervision work that computer super-



vision work must begin with the prevention of computer crimes. The deputy bureau director in charge of computer security supervision wasted no time in giving the green light to computer supervision work. Thanks to the close attention of the leaders, the above achievements in computer supervision work have been possible.

**2. Improvement of team quality ensures good computer supervision work.**

They made building a superb team the guarantee of good performance in computer supervision. The party branch has regarded greater building of the team the main task throughout, and it has formulated a strict management system. The members of the computer supervision

section, from the chief of section to ordinary cadres, have a strong sense of responsibility and devotion to duty. Doing what they say they will do is the vigorous and resolute work style of the computer supervision team. Frequently, they work throughout the night, and they have never lost an opportunity because of delay. On the day after he married, Comrade Zhang Jian [1728 0256] gave up his honeymoon to restore data on an important computer information system. His new bride waited for him at home the entire day. Such instances are commonplace for the computer supervision section which has shaped a work ethic in which everyone has a can-do spirit.

### General

#### PRC: State Council To Set Management Salary Ceiling

OW2202142696 Beijing ZHONGGUO XINWEN SHE in English 1250 GMT 22 Feb 96

[FBIS Transcribed Text] Beijing, February 22 (CNS) — China will set a maximum level for annual income earned by management personnel of enterprises. A measure designed to achieve this end will soon come into force.

The State Council has instructed relevant departments to study the establishment of an annual income system for management personnel of enterprises.

The system will apply to operators, or legal persons, of state owned enterprises.

According to the system, annual income will be divided into two parts namely, basic earnings and income earned in accordance with the economic results achieved by the enterprise through the operator's endeavours.

The basic earnings will be based on average wages for the enterprise itself and on those in the local area.

The second part of the income will be commensurate with the economic results achieved by the enterprise. The degree of importance an enterprise bears and the difficulty it faces in management and production will also be considered in the ascertainment of the income level.

The maximum annual income for an enterprise operator will however be kept under proper control.

#### PRC: 'Pivotal' Role of Special Economic Zones Cited

OW2202131296 Beijing XINHUA in English 1300 GMT 22 Feb 96

[FBIS Transcribed Text] Beijing, February 22 (XINHUA) — China's special economic zones, according to one official, have strong prospects and will continue to play a pivotal role in the country's modernization.

"The position and role of these zones will not be weakened," said Huang Tai, an official at the SEZ Office of the State Council.

The zones include Shenzhen, Shantou, and Zhuhai in Guangdong Province, Xiamen in Fujian Province, and the island province of Hainan.

According to Huang, these zones are leading the country in economic expansion through 15 years of development. "Their historical mission has not yet been completed under the socialist market economic devel-

opment. President Jiang Zemin once said that neither the Central Government's determination about the SEZs, or their basic policies and positions will change."

China has changed some policies relating to the special economic zones to increase national reforms for establishing a market economy and international economic cooperation.

Huang said that taxes on enterprises in the zones are still 15 percent, in contrast to 30 percent in other parts of the country. The zones are exempt from customs duties on imported materials for their own use.

Their rate of development was higher than the national average in 1994 and 1995, and is expected to be 15 percent over the next five years, which is still higher than the average.

Huang noted that the zones will continue to try out the central government's new policies before they are applied nationwide, and they will be encouraged to improve their market mechanism.

The five zones plan to expand investment in infrastructure. Shenzhen and Xiamen plan to spend 270.2 billion yuan.

Huang said that the Pudong New Area in Shanghai is subject to central government policies for SEZs, and has 3,500 overseas-funded enterprises with a total investment of 14 billion US dollars so far.

#### PRC: Growth in Open Border Cities Reported

OW2202095696 Beijing XINHUA Domestic Service in Chinese 0442 GMT 12 Feb 96

[By reporter Zhang Jisheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 12 Feb (XINHUA) — Our country's 14 border open cities achieved gratifying results in economic construction in 1995. According to statistics, these cities generated 19.122 billion yuan of GDP last year, up 91.1 percent over 1991, when they were not opened up.

In 1992 the State Council successively allowed Heihe, Pingxiang, Hunchun, Yining, Ruili, and nine other border cities to open themselves up and also allowed these cities to set up 14 border economic cooperation zones. Over the past three years or so, rapid social and economic development was seen in these cities and local economic strength was markedly enhanced: The average annual economic growth rate was 17 percent, which was higher than the national average, and Pingxiang, Dongxing, Tacheng, and two other cities doubled their GDP in three years; the average annual growth rate of the gross industrial and agricultural output value was

14.9 percent; and the average annual growth rate of local financial revenues was 13 percent.

It is understood that the pace of urban construction and development and construction of cooperation zones in these 14 cities has been accelerated. Over three years these cities fulfilled a total of 12 billion yuan of investment in fixed assets, which was the sum of 40 years before their opening up; and in the past, these border cities "did not have tall buildings, even roads, bright lights, clear water, and smooth communications," but all these have been changed. A total of 22.6 sq k of land has been developed in the 14 economic cooperation zones; there are 287 foreign-funded enterprises, with the amount of utilized foreign investment reaching \$890 million; and 116 enterprises have gone into operation. In addition, there are 5,100 domestically associated enterprises and 175 industrial projects have gone into operation.

Apart from accelerating the pace of construction and economic development, these cities have been engaging in increasingly wider economic cooperation and trade with neighboring countries. In 1995 the total volume of foreign trade imports and exports hit 8.45 billion yuan, up 24.8 percent over the previous year. More and more varieties of commodities in higher grades have been sold and bought through border trade, and labor and technical cooperation are developing in depth and in breadth.

Over the past few years, a total of 50,000 people gained employment in the border economic cooperation zones and the masses earned more and more, with the annual per capita GDP increasing by an average of over 15 percent.

#### **PRC: Economist Urges Emphasis on Residential Construction**

OW2302065596 *Beijing XINHUA in English*  
0637 GMT 23 Feb 96

[FBIS Transcribed Text] Beijing, February 23 (XINHUA) — China should accelerate the development of real estate by building more average residences, according to a report by the REAL ESTATE NEWS.

The newspaper quoted Ma Hong, a noted economist, as saying that China's property development should place emphasis on average residential construction, instead of blindly building tower offices, villas and hotels.

Excessive spending on luxurious projects has brought few benefits to common people or the national economy, said Ma, who is honorary president of the Research Center to Advise on Economic Technological and Social Development under the State Council.

"At present some people are complaining real estate development has fallen into dire straits because of macro-control policies," he said. "Actually they have put the cart before the horse."

Blind development has caused overstocking of commodity houses, which has in turn resulted in vicious cycle in the national economy, he said. "The government is obliged to take macro-control measures to regulate the development of the industry."

As a big developing country, however, China should speed up and expand the development of real estate because it has not yet become a pillar industry in the country, he said.

The economist was on a recent visit to a residential quarter covering 246 mu (about 16.4 ha) in the Pudong New Area in Shanghai.

The quarter is developed by Ruida, a company run by the the center's Shanghai branch. Ma expressed his satisfaction over Ruida's development strategy which pays much attention to the development of common residences.

#### **PRC: Ministry Announces Transport Infrastructure Plans**

HK2302063496 *Beijing CHINA DAILY in English*  
23 Feb 96 p 1

[By Yang Yingshi: "Leading Transport Projects Outlined"]

[PTS Transcribed Text for FBIS] The Ministry of Communications has mapped out a plan to improve the nation's transport infrastructure during the Ninth Five-Year Plan period (1996-2000).

China will focus on the construction of seven major national highways, three main water transport channels and two water navigation networks.

The ministry also pledged to build the country's first international shipping centre in Shanghai, the biggest port city in China.

"The efforts are expected to alleviate the pressure on China's road and waterway transport sector, which has long hindered national economic development," said Minister of Communications Huang Zhendong.

In the next five years, some 110,000 kilometres of highways will be built, including 6,500 kilometres of expressways and 3,500 kilometres of highways exclusively for automobiles, Huang told China Daily.

As arteries of a national highway network four new major highways will be built, linking Tongjiang in



Heilongjiang with Sanya in Hainan, Beijing with Zhuhai in Guangdong, Lianyungang in Jiangsu with Horgos in Xinjiang, and Shanghai with Chengdu, capital of Sichuan.

The ministry also will prioritize three sections of trunk highways which will connect Beijing with Shanghai, Beijing with Shenyang in Liaoning, and Chongqing with Beihai in Guangxi.

Berths for coal containers and raw materials will constitute the majority of seaport construction projects, said Huang.

More than 200 medium and large berths will be built, adding an annual handling capacity of 300 million tons.

To help Shanghai become an international economic, financial and trade centre in the Far East, efforts will be made to build the port city into an international shipping centre, with supporting ports in neighbouring Jiangsu and Zhejiang provinces, Huang said.

China will also build three river transport channels in the next five years — the Yangtze River, the Xijiang River in South China, and the Beijing-Hangzhou Grand Canal.

Some 2,400 kilometres of inland waterways will be overhauled, and 160 berths with a total handling capacity of 42 million tons will be built by the end of the century, according to the ministry's plan.

From 1991 to 1995, China built a total of 112,000 kilometres of highways, making the total length of highways in China reach 1.14 million kilometres, of which 2,141 kilometres are high-grade expressways.

Ninety-eight per cent of towns and 80 per cent of villages in the country can now be reached by highways.

### Finance & Banking

#### \*PRC: State Banks' Asset-Liability Ratio Management Analyzed

96CE0136A Beijing JINGJI YANJIU [ECONOMIC RESEARCH] in Chinese 20 Dec 95 No 12, pp 49-54

[Article is a study report by the State Natural Science Foundation and State Education Foundation at Wuhan University School of Management, written by Huang Xian (7806 2009), who also directs the project. Topic group members: Zhang Lei (1728 5628), Ge Hongmei (5514 4767 2734), Cheng Guohong (4453 0948 1347), Liu Xia (0491 7209), Mei Wanlan (2734 2187 3482), Fu Binghui (0265 3521 6540), and Hu Min (5170

2404): "Issues in Implementing Asset-Liability Ratio Management in State Banks"]

[FBIS Translated Text] How to implement assets-liabilities ratio management in banks is a major issue in China. Since the first half of 1995, our topic group has been studying assets-liabilities ratio management in 35 banks in eight provinces. This article proposes to analyze the four areas banks everywhere have found most problematic. Opinions and conclusions in the article are necessarily one-sided, but we hope it will serve as a starting point for a deeper and more wide-ranging discussion.

#### I. Need for Chinese State Banks To Adopt Assets-Liabilities Ratio Management and Basic Requirements

It is a widely held opinion among banks that assets-liabilities ratio management is the way to go, but they are doubtful whether there is a need for it in state banks at the moment and whether they can meet its basic requirements. They think that the state should first change the external conditions for the introduction of assets-liabilities ratio management by, for instance, revising the tools of macroeconomic regulation and control, sorting out property rights relations, clearing the mountain of bad debts resulting from historical factors, giving banks access to the financial market, enforcing financial laws and regulations, and putting an end to administrative intervention by the government in bank operations. There is not much state banks can do at the moment.

Nevertheless, our study has convinced us that assets-liabilities ratio management is inevitable and the conditions for it are taking shape right now. Even leaving aside pressure put on China's banking industry by the international Basel Agreement and the General Agreement on Trade in Services, which is part of GATT, the adoption of assets-liabilities ratio management by state banks in China is imperative given the economic and financial developments within China.

*1. Chinese banks exhibit a strong tendency toward quantitative expansion, making the introduction of a self-disciplinary management mechanism and external monitoring a matter of great urgency.*

Every bank in China these days is doing its utmost to capture as large a share of deposits, loans, and account settlements as possible and blanketing the nation with outlets and branches. There is an intense urge to expand. Banks are development-driven in any economic system, but every society has its own way of restraining such an expansionist drive. In a mature market economy, the restraints are the balance sheet and risk expectations.



Once a bank has expanded to a point where it incurs losses or where the risks of assets reorganization are too high, the banking regulatory authorities will clamp down on it hard by meting out a heavy penalty. It may even have to declare bankruptcy. External restraints of this nature work to strengthen the bank's sense of self-discipline. Under China's traditional system, how much a bank could expand in terms of taking in deposits and making loans was constrained by targets in the plan. Now that we are in transition to bank commercialization, state banks are being given more and more power, the scope and authority of the plan are shrinking rapidly, and the expansionist drive of Chinese banks has reached an all-time high as they keep growing at an alarmingly fast pace. This situation is extremely dangerous, given the absence in China's banking system of a modern and effective restraint mechanism. These days banks are scrambling to court depositors with high interest rates, opening outlets and branches regardless of costs, and embarking on an all-out push to maximize lending. Luxury office buildings are springing up everywhere. Low-quality quantity-based expansion in Chinese banking has never been penalized in any real sense of the word. Even when a bank incurs massive losses or does not have enough reserve funds on hand to pay its bills, it is not severely punished. This state of affairs has naturally led banks into believing, rightly, that expansion is risk-free, which only encourages them to go in for yet more quantitative expansion. From what we have found in the course of the study, banks everywhere share a widespread mentality, namely the notion that "size is the basis of survival. Before specialized banks are transformed into bona fide banks, everything must be done to enlarge one's scale of operations. Once the building is built and employees hired, one is ready for battle at little cost to oneself since the burden can be shifted onto the central government in the end." The mode of operations of the grass-roots bank is that of Chinese banks in general. If the banks' tendency to indulge in low-quality quantitative expansion is not checked, the results would be disastrous for China's banking system. For this reason, the adoption by Chinese banks of assets-liabilities ratio management brooks no delay.

**2. The emergence of a new generation of bank operators and managers requires banks to standardize behavior norms.**

A new generation of bank operators and managers has been coming to the fore in the banking industry in the last decade. A host of young people are taking up technical and managerial positions in banks. This group is characterized by the modernity of their knowledge, their lack of inhibitions, their broad vision, their strong in-

novativeness, and their ample energy. We pin our hope for developing China's banking industry on them. Nobody else can live up to the important historic task of transforming China's banks into socialist commercial banks. On the other hand, the emergence of a new crop of bank operators and managers has heightened the urgency of standardizing bank conduct and intensifying the need for external monitoring and regulation. The new generation has its weaknesses as well as outstanding strengths. For instance, their style of doing business emphasizes profit making, expansion, innovation, and output, but underestimates risk and gives short shrift to security and the establishment of operating procedures and control systems. They are long on showmanship but have little patience for the details and consistency of internal management. In recent years we can see unmistakably that the pace of innovation in the banking industry has picked up and the industry as a whole has come alive, accompanied, however, by a shockingly high incidence of financial mishaps and an equally shockingly large amount of losses. This phenomenon has raised a red flag to the financial regulatory authorities: The more active a group operating without any effective restraint mechanism, the more destructive it may be.

**3. Banking reform, lagging behind badly, has become the No. 1 victim of reform.**

In a market economy, whoever cannot compete and has no self-preservation ability will always end up a loser to be gobbled up by the strong. China's banking industry is in terrible shape these days, the leading victim of economic restructuring and transformation. There have been delays in bringing the use power and responsibility in the financial and accounting system in line with each other. Enterprises are taxed according to their sales revenue. Many money-losing enterprises pay taxes out of borrowed funds. Banks are taxed according to their interest earnings, yet their effective interest earnings are not high. The treasury's interests are secure, but the banks are saddled with even more bad loans. In the process of switching to the new system, countless enterprises seem to have suddenly woken up to the possibility of ridding themselves of bank debts by abusing the bankruptcy system. The result is a sharp increase in uncollectible bank loans. If banks continue to fail to tighten risk control and put together a self-protection mechanism through systems control, this situation is bound to lead to a banking crisis.

Turning to the basic requirements for the introduction of assets-liabilities ratio management, the environment has dramatically improved after years of hard work by the financial community. For instance, because of the extensive adoption of the modern enterprise system, property rights are being clarified and a market for

their management and exchange is taking shape. The relations between banks and enterprises has shifted fundamentally. The promulgation of the Central Bank Law and Commercial Bank Law has given banking reform an external protection organization. The central bank is shifting from direct regulation and control as its main regulation and control tool to indirect regulation and control. The financial market has grown to a fairly large size. Access to the banking industry is now only a technical issue and a matter of time. Banks are where many qualified personnel with modern knowledge congregate. Certainly, when we say the basic requirements are taking shape, we are implying at the same time that there are some conditions which are not yet in place. However, we know full well from the experience of reform in China that one cannot just sit there and wait for the conditions to come about on their own; one must get up and create them. Let's just say reform requirements and the effort put into reform interact with and help each other. Every inch of progress specialized banks have made in their march toward commercialization and every obstacle they have overcome are in turn a positive factor that would work to help deepen banking reform. Of course, there are indeed difficulties that banks cannot resolve by themselves. Here the central governments and governments at all levels should come up with a concrete plan of assistance and try to fully appreciate and support the commercial banks' enterprise-like autonomous conduct.

## **II. Is Below-Norm Assets-Liabilities Ratio Management Currently Operable?**

After Document No. 38 was transmitted to the lower levels by the head office of the People's Bank of China in 1994, banks at all levels across the nation scrambled to launch pilot projects to test the operability of below-norm assets-liabilities ratio management. Our topic group studied the matter at length at various locations and followed up with an analysis. Our conclusions are three: 1) Below-norm assets-liabilities ratio management is hard to operate in the present environment; 2) not only do methods designed to limit the scale of lending fail to work, but they actually have adverse effects; and 3) one has two options when it comes to resolving the contradiction between scale restriction and ratio management: "opening across the board" and "tightening here, deregulating there."

### **1. Below-norm assets-liabilities management is inoperable.**

Banks have been trying in every way possible to resolve the contradiction between the norm and the deposits-loans ratio. Some banks have adopted and recommend the "making loans with a bloated belly" approach,

which means rushing to make loans at mid-season and rushing to collect loans just before their performance is evaluated in order to bring the ratio and norm back to normal levels. Clearly, this operating method heightens the instability of bank funds and betrays a very partial understanding of the true meaning of assets-liabilities ratio management. What most banks do is this. They lower the assessment value of the deposits-loan ratio level after level while raising the "tongcunjin" ratio at the branches below in order to align the deposits-loans ratio with the scale of lending as closely as possible. One can imagine how fortuitous it would be for the deposits-loans ratio to coincide with the scale of lending when it comes time for a bank's performance to be evaluated, fortuitous because both the scale of lending, a fixed quantity, and the amount of deposits, a variable, are beyond the bank's control. So the deposits-loans ratio is not something the bank can control. Moreover, there are restrictions on how much funds a bank can lend in short-term lending and restrictions on treasury bonds trading, both imposed by the central bank, and plan-mandated limits on fixed assets lending. The result is that the entire set of ratios—the reserve fund ratio, circulation ratio, and medium and long-term lending ratio—constitute a passive, after-the-fact reflection of a bank's fund allocation, leaving it no room for adjustment and also robbing assets-liabilities ratio management of its significance. Everywhere we went during our study, we found that the pilot projects launched by just about every unit have floundered because of the wide gap between the credit plan and the ratio and a large amount of funds which is being idled. People in charge of grass-roots banks are worried about this state of affairs but cannot do anything about it. They have lost confidence in below-norm ratio management. All of that presents us with a tricky question: What is the basis for implementing below-norm assets-liabilities ratio management? Will it be able to achieve the hoped for results?

### **2. Limiting the total amount of lending will do nothing to control credit.**

The purpose of having commercial banks in China adopt assets-liabilities management is to create a self-disciplinary mechanism and external monitoring and regulatory mechanism even as banks are giving more decision-making authority in their operations in order to ensure the firm and steady functioning of the banking system. What accounts for the current adherence to below-norm ratio management and a lack of courage to give up credit scale control? As we see it, the central bank has the following concerns: 1) Chinese banks are short on self-restraint and long on expansionism and lack risk awareness. 2) Governments at all levels still



intervene heavily in the banking industry. Once scale restrictions are eased, banks all over the nation may get out of hand when it comes to making loans. 3) The central bank is not confident about its ability to control the basic currency using economic tools and looks to the scale of lending as a transitional measure. 4) The composition of the scale of lending tends to favor a certain policy over others, something absent from the three major tools of currency regulation.

Of the four above mentioned concerns, the first three are most important and all involve the issue of the control of the total amount of credit. The total amount of credit is the external mandatory limit of a bank's ability to make loans. When the scale of lending is fixed in times of rising deposits, reserve funds inevitably go up—the bank has no choice on this matter—and it comes under the pressure of rising costs. Since it is a bank's nature to ensure the value of its capital, it naturally would try in each and every way possible to convert its excess reserve funds into money-making assets. During our study, we were told by banks everywhere that credit scale exists in name only and that methods of bypassing it have become an open secret, such as disguising the loans as inter-bank transactions and fund transfers within the system, resorting to trust deposits and commission deposits, deposit-loans duichong, and making loans off the books, all common practices. All people's banks everywhere can do is to turn a blind eye to them. The reason is simple: Banks need to survive. Nowadays every bank has come to regard making loans by getting around the scale as a matter of course, illegal but justifiable, even calling it an act of "forcing the virtuous into prostitution." Grass-roots banks even copy each other. All the bank presidents require is that account titles be cleverly handled and that employees not line their own pockets with public funds. Modern management theory tells us that "making rules that cannot be strictly enforced or are not complied with is worse than not making them." When people routinely break the rules without being punished, the result is contempt for banking laws and regulations and deeper chaos in the banking industry. Even worse, many people break the law without incurring any punishment. Some financial personnel of a poor quality are tempted to succumb to their selfish desires and profit from illegal transactions, causing heavy losses for the state and the banks. Objectively speaking, credit scale has minimal effect on limiting the total volume of credit while putting up many obstacles in the way of assets-liabilities ratio management. The contradiction between the norm and the ratio, in particular, has distorted a brand new self-disciplinary mechanism and form of management from the start, causing no end of trouble for the future.

### *3. Approaches to Reconciling Scale Limitation With the Ratio*

There are only two major ways to reconcile scale restriction with the ratio. One, deregulate across the board, that is, eliminate any restriction on the amount of credit. Mustering the same kind of courage that it had when it ended exchange rate dualism, the state should change the system in one fell swoop. With the three major economic tools, supplemented by a relending plan, the central bank should keep a lid on the basic currency and the money supply and use assets-liabilities ratio management to manage and regulate the banking industry to ensure its healthy and stable development, at the same time accelerating the transition of the banking and financial industry to the market economy. Another option is the "controlling this deregulating that" approach, which means keeping credit scale controls in place for the duration of the not too lengthy transitional period while opening up the financial market to banks and giving banks access to the market for inter-bank lending, over-the-counter trading of state bonds, trading other kinds of securities, buying-back agreements, and discounted notes, as soon as possible. That way there would be room for adjustment in bank fund allocation so that funds can be put to profitable use.

Our topic group prefers the first option and would like to see its adoption without delay. Although it has wider repercussions, its advantages are clear. It can accelerate the integration of China's banking industry into international banking, put macroeconomic regulation and control as well as assets-liabilities ratio management on a more standardized basis, and minimize the distorted behavior and chaos during the transitional period. Furthermore, it will provide the financial authorities a clearer set of criteria with which to ascertain the standardization of bank conduct.

### **III. Determining the Levels at Which Assets-Liabilities Ratio Management Is Supervised and Regulated**

During the course of its investigation, the topic group discovered a principal reason for the lack of enthusiasm on the part of banks everywhere and of local branches of the People's Bank for assets-liabilities ratio management. It is that nobody has a clear idea as to at what levels the implementation of assets-liabilities ratio management is to be supervised and regulated and the relations among the levels. What should be the main subjects of supervision and regulation, the head office of a commercial bank or its branches? How shall work be divided between the head office of the People's Bank and its branches? The issue here is determining the levels of supervision and regulation and their interactions.



During the course of the investigation, we found confusion on the part of people's banks, specialized banks, and commercial banks everywhere regarding which banks should be the principal subjects of supervision and regulation. The way some banks interpret the provisions in the document issued by the head office of the People's Bank is that the main subjects of supervision and evaluation should be legal-person units. In other words, the head office of the central bank should supervise and regulate the head offices of the various commercial banks because it is legal persons who are ultimately held responsible. A majority of banks, however, believe it is not enough just to examine the head office, that the branches too should be the main subjects of examination. After studying and analyzing this issue at length, we think that as far as assets-liabilities ratio management is concerned, the central bank's evaluation and supervision of commercial banks (both state-owned commercial banks and shareholding banks) should take place at two levels. On the first level, Grade 1 branches of the central bank evaluate and supervise Grade 1 branches of commercial banks. On the second level, the head office of the central bank evaluates and supervises the head office of the commercial bank. Let us analyze it as follows:

#### *1. Inefficiency of Over-Scale Management*

Every state bank in China is a huge institution with a head office, branches and subbranches. This kind of banking system has the advantages of economies of scale. Since the banking business is one which is interrelated technically and inseparable geographically, a large bank can do things more cheaply by spreading out the costs. On the other hand, when you seek to impose centralized management on a big bank with its head office, branches, and subbranches, efficiency will suffer as there are limits to management capacity. Once these limits are exceeded, the efficiency of management will decline because of the contradiction between the decision-making process and the speed of decisionmaking, creating a barrier to coordination. The result is inefficiency caused by over-scale management. Modern management theory, therefore, calls for delimiting the units of management property and operating subunits as independent enterprises.

In the interest of management efficiency, we believe we should make Grade 1 branches of state banks an evaluation level for the following reasons: 1) Since 1983, the Grade 1 branches of every specialized bank have gradually been operating as management banks wielding considerable decision-making authority and practicing independent accounting. The Grade 1 branches of every state bank are regarded as legal-person units when it comes to making decisions on lending authority and

fund transfers, their transactions with the central bank, and the design of account books and the clearing system. They enjoy broad authority. 2) In the transition to commercialization, it is branch banks at the grass roots which have shown themselves to be most business-minded, demonstrated the strongest demand for reform, come up with financial innovations the fastest, and had the highest fund turnover. Because Grade 1 branches are the closest to the grass roots subbranches, changes in the former's assets-liabilities ratio typically are the most direct, prompt, and accurate barometer of the bank's fund allocation situation. China has a vast territory, each of its provinces comparable to the average medium-sized nation overseas. The variability of fund allocation is not excessive. If we overlook this level and evaluate and monitor only the head offices of commercial banks, we would far overstep the bounds of management capacity. The inevitable outcome of that would be managerial inefficiency.

It must be made clear that the most ideal evaluation and supervision model is one based on economic regions (as in the case of the Bank of Communication.) However, as long as the existing pattern—one in which branches are established based on administrative divisions—remains essentially unchanged, it makes more sense to make Grade 1 provincial branches of state banks an evaluation level. Meanwhile, though, efforts should be made to pave the way for the creation of Grade 1 branches to coincide with economic divisions.

#### *2. The Core Work and Informational Characteristics at Different Levels of the Control System of a Large Bank*

According to modern management theory, the control system of a large bank with a head office and branches consists of several levels. Each given level has its own control focus and requires its own special information.

The first level in the control system is the head office of the commercial bank. The head office typically executes strategic goal control and concerns itself with such long-term decisions as the direction of development and market share. Its time frame ranges from several months to several years. The information it requires is broad, imprecise, and high on transmission and feedback loss. The level in the middle is the management-oriented branch. Its goal is to implement the head office's strategic intents by breaking them down into business objectives. Its time frame ranges from several weeks to several months. It assesses the bank's business performance by regularly comparing command information from the higher level with real information and seeks to achieve the business goals by regulating bank conduct at any time. The last level is the operating subbranch. It executes day-to-day technical operational control, focusing

on ensuring the quality of all its operations and activities. Its time frame ranges from several days to a few months. The information it requires is highly precise and detailed.

Given the characteristics of the control system, the Grade 1 branch of a state bank should be included in the evaluation and supervision of assets-liabilities ratio management. It satisfies the demand of supervision and regulation for accurate and direct information transmission and feedback. If evaluation is limited to the head office, information transmission may be distorted and slow, which would prevent it from raising a red flag about risk. On the other hand, if the operational sub-branch is made a level for monitoring and supervision, fund allocation will become too individualized and the bank's level of performance would be distorted.

### **3. Meeting the Needs of Reforming China's Central Bank System**

The design of China's central bank system has been overhauled since 1993. The power of relending and fund allocation is concentrated in the hands of the head office of the central bank while its branches across China were given new functions and responsibilities: information collection, analysis, supervision and monitoring. The vast majority of the central bank's branches have not been able to adapt to this change and feel an overwhelming sense of loss. As for the function of supervision and control they have been entrusted with, comrades in the branches of the central bank feel that the subjects are not well-defined, the responsibilities too vague, and tools short on deterrence. By determining that Grade 1 branches of a commercial bank also should be included among the principal subjects of assets-liabilities ratio supervision and regulation, we will certainly rebuild the central bank's responsibility and power at a new level, prompting them to adopt new functions enthusiastically and expeditiously. This will put the central bank's supervision and regulation of all commercial banks on a more solid foundation.

### **IV. Should Assets-Liabilities Ratio Assessment Targets Be Variable?**

In studying and analyzing fund allocation, we discovered a considerable amount of variability in fund allocation among regions at different levels of economic development and among different industries. Many banks argue that there should be no attempt to impose a single uniform assessment target. So we are presented with a very real issue: Should there be different assets-liabilities ratio assessment targets?

Our opinion is that as the principal subjects of supervision and regulation, the head office and Grade 1

branches of all specialized banks and commercial banks should be subject to uniform assessment standards. This opinion is based on two reasons. First, there are considerable differences between one region and the next in terms of level of economic development, the characteristics of the industrial structure, the maturity of the financial market, and local thinking. Similarly, banks that cater to different industries also vary significantly from one another. However, the variability of fund allocation from region to region and from one kind of industry to another is a totally different concept from whether or not the banks should have a uniform assessment target. Every bank should realize that these assets-liabilities ratio assessment targets are fund allocation ceilings set by the central bank in its role as macro regulator for operating banks. When a ceiling is exceeded, it is a sign that fund allocation in a certain area is seriously out of balance; it raises a red flag. For this reason, the targets are of universal significance. During the course of our study, we found that many banks operate under the assumption that the assets-liabilities ratio is a mandatory standard and that they must work to adjust their fund allocation to meet this level. What they did not realize is that the ratio is merely a permissible ceiling; there is considerable room to reconfigure fund allocation. Misled by this error, many banks have cited a host of reasons to support their case for varied assessment targets. Interestingly enough, although they cite diverse reasons, the banks all arrive at the same conclusion, the same demand. Take the deposits-loans ratio, for instance. Banks everywhere argue that their own deposits-loans ratio should be set a little higher. Banks in underdeveloped areas contend that since their sources of funds are limited, they have less funds to draw upon than banks in developed areas even though everybody has the same deposits-liabilities ratio. To speed up local economic development, so they say, banks in less developed localities should be given a higher deposits-loans ratio, with relending by the central bank to close the funds gap. Banks in moderately developed areas make their case as follows: With the local concentration of large and mid-sized state enterprises and key projects, and given the dominance of the raw materials, energy, and mechanical processing industries and other traditional industries in the local economic structure, most of them have not been very profitable during the transitional period. They are under strong external pressure to make loans. Moreover, the local income level is not high and there is a limit to the amount of deposits a bank can take in, objectively creating a relatively high deposits-loans ratio. Out of deference to history, they argue, a higher deposits-loans ratio should be set. As for banks in developed areas, they contend that a market economy should abide by the principle of efficiency. The local economy is gener-



ally doing well and the quality of the loans is quite good. Since they are commercial banks, they should of course give top billing to efficiency. It follows that banks in developed areas are the best qualified to demand a higher deposits-loans ratio. This example vividly illustrates the need for our banking industry to understand correctly the economic ramifications of the assets-liabilities ratio evaluation target. It is the responsibility of the central bank to stick to the uniform evaluation target firmly.

Second, the introduction of disparate standards would inevitably create confusion in supervision and regulation. Multi-standard management is bound to be low-efficiency management. Besides making trouble in routine day-to-day supervision and regulation, it would artificially create interest and image disparities among banks, leading to contradictions and chaos. We discovered during our study that because newly established commercial banks enjoy a higher deposits-loans ratio, the local governments in some provinces and municipalities have used their power to shift the trusteeship of pension funds and housing reform funds from specialized banks to commercial banks in order to secure more loans to bankroll local construction projects. This example illustrates the disorder that results when supervision and control standards are not uniform.

In view of the above, the central bank should firmly stick to a uniform evaluation standard as it implements assets-liabilities ratio management. In addition, we strongly recommend that the central bank's timetable for abolishing credit scale restrictions and implementing full fledged assets-liabilities ratio management treats all specialized banks and commercial banks in the same way, instead of queuing them up in order of priority.

**Foreign Trade & Investment**  
**PRC: Tibet Opens Foreign Trade, Economic**  
**Cooperation Office**

*OW2302055696 Lhasa Tibet Television Network*  
*in Mandarin 1200 GMT 15 Feb 96*

[Announcer-read report over video; from the "Regional News Hookup" program]

[FBIS Translated Text] On the morning of 14 February, the autonomous region foreign trade and economic cooperation department officially opened for business. Autonomous regional leaders Basang, Puqung, Toinzhub, and Lhalu Cewang Doje attended the opening ceremony. [video shows some people standing outside a white building]

Speaking at the ceremony, Toinzhub, autonomous regional government vice chairman, said: The founding of the autonomous regional foreign trade and economic cooperation department signals that our region's foreign trade and economic system has moved onto a higher level. We should further perfect our management system, improve our management methods, and change our strategic principles in foreign trade and economic work to ensure the realization of our region's near-term and long-range foreign trade and economic development goals. [video shows a man reading from written notes outside the building while others watch him]

(Wang Jiayu), deputy director of the autonomous regional foreign trade and economic cooperation department, spoke at the opening ceremony. Director (Suo Duo) chaired the ceremony.

**PRC: Zhejiang Power Industry Attracts Foreign Funds**

*OW2202132496 Beijing XINHUA in English*  
*1311 GMT 22 Feb 96*

[FBIS Transcribed Text] Hangzhou, February 22 (XINHUA) — Rapid development of the power industry in East China's Zhejiang Province has caught the attention of overseas companies.

Contracts for cooperation with overseas companies, involving more than one billion US dollars, have already been signed.

Zhejiang is a key part of the East China Power Grid with a combined power generating capacity of 10.12 million kilowatts.

The first phase of construction of the Ningbo Beilun Power Plant, which was approved by the Ministry of Power Industry last year, was China's first thermal power project built with loans from the World Bank.

The plant is being built in two phases and will have five 600,000-kilowatt generating units upon completion.

Preparations are also under way for an environmental protection project in the Hangzhou Banshan Power Plant, using loans from the German government, and power projects with Hong Kong business people.

The province plans to develop into a power industry base on the Chang Jiang River Delta by the end of the century.



**Agriculture****PRC: Irrigation Plans Focus on Water-Saving Projects**

OW2302072996 Beijing XINHUA in English  
0713 GMT 23 Feb 96

[FBIS Transcribed Text] Beijing, February 23 (XINHUA) — China will focus on the construction of water-saving irrigation projects in 300 major grain-producing counties in the next five years, which are expected to save 3.6 billion cu m of water and increase grain output by 1.95 billion kg each year upon completion.

Each county will have had at least 6,500 hectares of farmland under water-saving irrigation facilities.

The move is aimed at minimizing water waste and increasing grain and cotton production so as to lay a solid foundation for agricultural take-off.

**\*PRC: National Cotton Procurement Reported**

96CE0123V Beijing NONGMIN RIBAO in Chinese  
2 Feb 96 p 1

[FBIS Summary] By 25 January China had procured 66,420,000 dan of ginned cotton, an increase of 8,780,000 dan over the same period in 1995. Xinjiang procured 18,420,000 dan, Hubei procured 9,320,000 dan, Jiangsu procured 9,280,000 dan, Henan procured 6.7 million dan, and Anhui procured 4.9 million dan. Some places have issued IOUs to cotton farmers because of a lack of procurement funds.

**\*PRC: Guizhou Grain Output Increased in 1995**

96CE0123U Beijing NONGMIN RIBAO in Chinese  
1 Feb 96 p 1

[FBIS Summary] In 1995 gross output of grain in Guizhou Province reached 9,488,500 tons, an increase of 101,600 tons, or 1.1 percent over 1994.

**\*PRC: Henan Grain Goals to 2000**

96CE0140A Beijing ZHONGGUO NONGCUN JINGJI  
[CHINA'S RURAL ECONOMY] in Chinese Nov 95  
No 11, pp 25-28

[Article by Wang Zuocheng (3769 0155 2052) of the Henan Province rural socioeconomic research team:

**"Feasibility Analysis of Henan's Grain Output Goal by Year 2000"]**

[FBIS Translated Excerpt] Henan is a major grain producing province and accounts for 7-8 percent of the nation's total grain output. Whether Henan reaps a bumper harvest or suffers a crop failure therefore has an extensive impact on grain output nationwide. At the same time, Henan is a leading grain consumer responsible for providing 90 million people in the province with grain. The departments concerned have set Henan's grain output target by the year 2000 at 37.5 million tons. Experts in the field, on the other hand, have projected that Henan's grain demand will be 40 million tons by the year 2000, based on such factors as direct consumption, processing, reserves, and shipments to other provinces. What is the probability of achieving the above goals by the year 2000? This question no doubt has profound significance for the current effort to draw up an agricultural policy and a grain production policy for the next several years. [passage omitted]

**II. Projecting Grain Output Levels by Year 2000**

To project Henan's grain output by the year 2000, we first assume that S&T applications in grain production will continue to increase at least at the same rate recorded since the 1970's. (Note: It has been calculated that the increase in S&T applications in grain production has averaged 5.8 percent annually since the 1970's; specifically, 2.6 percent during the Fourth Five-Year Plan, 6.6 percent during the Fifth Five-Year Plan, 19.1 percent during the Sixth Five-Year Plan, 2.7 percent in the Seventh Five-Year Plan, and 7.4 percent annually since the 1990's.) Based on that assumption and changes in elements of production provided by the model, we have worked out several grain production plans for Henan in the year 2000 as follows:

Table 1. A Feasibility Analysis of Henan Producing 40 Million Tons of Grain in 2000

Plan No.	Projected Total Grain Output (in 10,000 tons)	Preconditions			
		Acreage Sown With Grain (10,000 mu)	Average Annual Increase in Material Inputs (%)	Flood-Stricken Area (10,000 mu)	Drought-Stricken Area (10,000 mu)
1	3603	13000	8.3	5430	6928.4
2	3667	13000	8.3	1175	6928.4
3	3898	13000	8.3	5430	1200
4	3967	13000	7.9	1175	1200
5	4002	13000	8.3	1175	1200
6	4048	13300	8.3	1175	1200
7	4653	13000	8.3	2.6	60.5

(1) In 1994 132.16 million mu were sown with grain in Henan. (2) Material inputs have been increasing at the average annual rate of 8.3 percent since the 1980's but only 7.9 percent in the last six years. (3) Historically, the most area hit by flooding was 54.3 million mu; the least, 6,000 mu, yielding an average of 11.75 million mu over time. (4) Historically, the most area hit by drought was 69.284 million mu; the least, 605,000 mu, yielding an average of 12 million mu over the years.

### III. Feasibility Analysis of Projected Outcomes and Proposals for Grain Production in Future

Henan's projected grain output in the year 2000 ranges from 36.03 million tons to 46.53 million tons in the seven plans presented above. Ruling out the two extremes of a severe natural disaster and near absence of natural disasters, we project a total grain output of 40 million tons or so. This projected outcome is primarily contingent on the following: S&T progress in grain production remains at the level achieved since the 1970's at a minimum, the acreage sown with grain stays at 130-133 million mu, material inputs continue to increase at the rate in existence since the 1980's, and the incidence of drought and flood will be consistent with the averages in history. Judging from our analysis of the terms of grain production in Henan, it appears these requirements can be met.

1. The demand that S&T applications in grain production continue to increase at the average annual rate of the 1970's and 1980's is not a tall order. In fact, we exceeded that average both during the Sixth Five-Year Plan and in the 1990's.

2. It is feasible to hold the amount of land sown with grain at the 130-133 million mu level. We project a total decrease in cultivated land of about 1.8 million mu by the year 2000, thus reducing the province's total cultivated land to 100.6 million mu, and a 2.8 percentage point increase in the multiple crop index, from the current 175.6 percent to 178.4 percent, which means that the total area sown with crops will be 179.5 million mu. We also project that of this total, 14-15 million mu will be sown with cotton; 17-18 million mu with oil-bearing crops; about 2.5 million mu with tobacco leaves; 1 million mu with hemp; 11 million mu with vegetables, melons, and other crops; and flatlands mulberry fields and orchards will use 1 million mu, with the balance, between 130 and 133.3 million mu, going to grain cultivation.

3. It is also feasible to continue to increase material inputs in grain production at the rate in existence since the 1980's. The average annual increase rate of the combined index of material inputs has been 8.3 percent since the 1980's, lower than the 10.8 percent recorded in the 1970's but slightly higher than the 7.9 percent of the past six years. Considering that there is a rising demand from top to bottom in recent years for more attention to be given to agriculture, with "paying lip service to agriculture" gradually giving way to "carrying through with agriculture," inputs in the next six years will be higher than those in more recent times.

4. The projection of a moderate incidence of natural disasters also seems the most appropriate among the choices. Both an extremely high incidence of natural disasters and an extremely low incidence camouflage the overall grain production capacity. Only a normal

year accurately reflects Henan's overall grain production capacity.

It is clear from the above analysis that it is feasible to aim for a total grain output of 40 million tons by the year 2000. However, this projection is contingent on a number of prerequisites, regarding which we would like to make the following suggestions:

**1. Check the sharp decline in the acreage under grain cultivation. Hold the decrease rate at 0.25-0.27 percent annually on the average between 1995 and 2000.** In the past six years, the province's acreage sown with grain shrank 0.453 percent each year on average. Since 1990 it has been disappearing at a high 1.38 percent each year on the average. If this trend is not reversed effectively, it would be difficult to maintain the acreage under grain cultivation at the 130-133 million mu level in the year 2000 and we may fail to achieve our goal of boosting grain output. To shore up grain acreage successfully, we must take a two-pronged approach: stop the loss of cultivated land and stabilize the acreage devoted to grain cultivation in the midst of adjusting the economic structure. On the one hand, impose strict controls to prevent development zones from taking up too much land and tighten the regulation of land acquisition for housing construction in the process of township development. Limit the development of the forestry and fruit-growing industries on the flatlands and on fertile land. Strictly prohibit farmland abandonment. Increase cultivated land utilization efficiency. Make a greater effort to bring arable wasteland under cultivation to increase the amount of cultivated land. On the other hand, take grain cultivation seriously and stabilize the acreage sown with grain even as we develop the rural economy and adjust the economic structure. Reducing the acreage under grain cultivation is not the only way to develop a diversified economy. We must do that by formulating the right agricultural policy, right price policy, and right land policy, and by increasing the multiple crop index. Stabilize the acreage under grain, improve the profitability of grain farming, and boost peasants' earnings, thereby heightening their enthusiasm for growing grain.

**2. Optimize the investment climate and encourage peasant households to keep increasing material inputs in grain production.** a) Enhance the peasants' enthusiasm to increase inputs. b) Increase their capacity to increase inputs. Toward that end, the most important thing is to put an end to the relatively meager comparative advantage of grain production. For instance, we must ensure that state policies are implemented and tighten our regulation of the intermediate stages. The move by the government to raise grain prices has indeed given grain cultivation a boost. In 1994 the gov-

ernment raised grain prices 40-50 percent. However, assorted middlemen siphoned off half of the increase and other price hikes offset another 20 percent, leaving only 30 percent to the peasants, who so far have benefited only minimally from the price adjustments. Accordingly, efforts must be redoubled to cut back on the number of middlemen and do a good job in price management. Next, the soaring prices of agricultural capital goods must be curbed. Besides controlling producer prices and introducing monopolistic trading, we must offer tax breaks and preferential interest rates to enterprises that manufacture agricultural capital goods. Help them make a profit but strictly supervise them as well. Those who sell counterfeit products to the detriment of the peasants must be severely punished. c) Develop even more grain-related industries to lengthen the economic chain and increase peasants' earnings in grain-producing areas. d) Localities with the necessary wherewithal shall aim for scale management and intensive cultivation over time to raise the input-output ratio and further the degree of commercialization. e) Ease the burden on peasants.

**3. Do a better job in securing agricultural funds from the state and coordinating their use and use them wisely.** a) Enhance the ability of agricultural production overall, including grain production, to resist disasters. The state today has made grain production a top priority. We must take advantage of this opportunity to secure our share of funds from the central government. Henan is a major agricultural province, but 85 percent of its cultivated land is low-or medium-yield farmland. If we manage to turn that around, it would do Henan and the entire nation a lot of good. Judging from our experience in developing the Huang Hai and Huai Hai plains, once government investment goes up, so would local enthusiasm to boost investments. b) Practical measures must be taken to keep up local funding on a par with revenue. The goal is to increase agricultural investments at a rate not lower than the rise of government revenue. That goal was not achieved in 1994. Agricultural capital construction investment has not budged from the 110 million yuan level for several years now. In times of double-digit inflation, this means that real investment has actually gone down. So it is imperative that we raise funds from multiple sources to match central government investment funds so that the latter can be as productive as it should. c) A way must be found to put an end to the excessive fragmentation that currently characterizes central government investments in Henan agriculture. At present such investments are scattered among a variety of programs—comprehensive development, production base construction, poverty relief, and township and town enterprises—administered by a host of departments including the agriculture department, planning commission, and finance department.



Because of excessive fragmentation, investment returns are not satisfactory. The government should take measures to bundle such funds and form a critical mass so that the money spent generates true benefits.

**4. Make S&T investment a priority and raise the S&T content of grain production.** Judging from the present state of farm technology, there is still enormous potential to be tapped in relying on S&T to boost grain output. At the moment the conversion rate of the province's S&T achievements is a mere 30 percent,

which means that a good deal of potential remains to be tapped when it comes to improved varieties, advanced farming technology, and proven technology that can resist such natural disasters as plant diseases and insect pests. The utilization rate of chemical fertilizers averages just 30 percent or so in Henan and that of irrigated water is only 35-40 percent. A good way to increase the applications of S&T in grain production in the next several years, therefore, is to go all out to disseminate advanced and usable farm technology.

**East Region****PRC: Anhui Party Secretary Speaks on Discipline Inspection Work***OW2302043596 Hefei Anhui People's Radio Network in Mandarin 1030 GMT 14 Feb 96**[From the "Provincial News Hookup" program]*

*[FBIS Translated Text]* The third plenum of the provincial commission for discipline inspection concluded yesterday. Provincial party, government, and military leaders Lu Rongjing, Hui Liangyu, Meng Fulin, Wang Taihua, Fang Zhaoxiang, Chen Guanglin, Shen Shanwen, Wang Yang, Wang Zhaoyao, Long Nian, and others attend the meeting. Chen Guanglin presided over the meeting and Lu Rongjing addressed the meeting.

In his speech, Lu Rongjing pointed out: All levels of party committees, governments, and discipline-inspection and supervision departments throughout the province must be good at realizing and handling problems from a political point of view, steadfastly uphold the principle of doing two types of work simultaneously while attaching equal importance to both, and vigorously explore ways to strengthen inner-party supervision. All levels of party committees and governments must properly handle the relationships between the anticorruption drive and the advocacy of a clean, honest administration and economic construction in line with practical conditions. They must conscientiously and perseveringly carry out the anticorruption work on a long-term basis. This year, further efforts should be made to implement the three anticorruption tasks in an in-depth and down-to-earth manner, with a view to producing marked results.

Lu Rongjing also pointed out: All levels of leading cadres must first play a leading role in seriously implementing the party's principle of democratic centralism and voluntarily subject themselves to supervision from all quarters. Party organizations at all levels must set strict demands on party members and cadres and supervise them rigorously. It is necessary to have strict party organizational life and energetically encourage the practice of criticism and self-criticism. It is necessary to merge supervision with the investigation and handling of law- and discipline-breaking acts and to merge the building of a sound system with efforts to strengthen ideological education so as to fully use the important role of discipline-inspection and supervision organs in fighting against corruption and encouraging healthy trends.

He stressed: At present, special attention should be paid to strengthening the party's political discipline. As far as the political aspect is concerned, we must unswervingly

act in unison with the party Central Committee with Comrade Jiang Zemin as the core and, at the same time, look at the current anticorruption drive from a correct point of view and be more resolute in carrying out the anticorruption drive and building up good party conduct and a clean, honest administration.

The meeting also examined and approved the Resolution of the Third Plenum of CPC Anhui Provincial Party Committee's Commission for Discipline Inspection. As pointed out by the resolution: In 1996, as far as the province's anticorruption work is concerned, further efforts must be made to foster integrity and strict self-discipline among leading cadres. Cadres of party and government organs, and leading cadres at or above the county magistrate and department head level in particular, must accomplish four key tasks: 1. Check against and rectify leading cadres' irregularities in housing, housing construction, property purchases, and housing refurbishment. 2. Continue to resolutely stop the malpractices of wining, dining, and pleasure-seeking at public expense and of using or purchasing sedans that are above the permitted standard. 3. Implement well the four rules set by the Sixth Plenum of the Central Commission for Discipline Inspection on leading cadres' observing and preserving the party's political discipline. 4. Continue to implement well the three regulations [as heard] and make the work of promoting integrity and self-discipline more and more systematic step by step. In 1996, we should also conscientiously investigate and handle cases, large and important ones in particular, and rectify malpractices in all departments and trades. Further efforts must be made to carry out law-enforcement and procuratorial work, to enhance and perfect the mechanism of inner-party supervision, and to strengthen education on party conduct and a clean and honest administration.

At the meeting, commendations were given to 59 advanced collectives and 80 advanced workers from discipline-inspection and supervision departments throughout the province.

**PRC: Importance of Shanghai's Pudong District Highlighted***OW2202142396 Beijing ZHONGGUO XINWEN SHE in English 1207 GMT 22 Feb 96*

*[FBIS Transcribed Text]* Shanghai, February 22 (CNS) — According to plans, Lujiazui Financial and Trade District in Pudong New Zone together with the financial street in the Outer Bund will become the Central Business District (CBD) vital to Shanghai's development into an international economic, financial and trade centre.

Over the past five years of development, 108 projects have been carried out in the financial district with a gross input of US\$ 4.9 billion or an average investment of US\$ 45.37 million per project, to take the district to pole position nationwide. Most of the projects were in real estate; 140 high rise buildings are under construction in the financial district at present. Statistics show that the total construction area of these buildings was 5.16 million square metres with the cost of per square metre reaching 7,200 US dollars, topping others nationwide.

Foreign funded establishments in Lujiazui district are of quality. The New Era Commercial Building funded by Yaohan of Japan, which went into operation early this year, is the biggest in Asia. The Shanghai Global Financial Centre, whose construction started late last year, will be the tallest building in the world at a height of 460 metres. The 6,000 seat Shanghai Securities Exchange Building will be completed next year and will be the largest in Asia.

During the current five-year plan, Pudong will spend close to RMB [Renminbi] 100 billion on the construction of Pudong International Airport, the deep-water port and on the establishment of modern information facilities. A total of RMB 8 billion will be injected into information facilities. A number of communications hubs and re-export centres will also be built in the financial district. Lujiazui district will house about 100 China and foreign-funded banks, joint venture banks as well as non-banking financial institutions by the year 2000. Some 3,000 leading companies, consortia and intermediaries will have their headquarters or branches in the district which will become a centre for finance, commerce and trade, the circulation and distribution of materials as well as for information exchange. Leading business centres including the securities exchange, commodity futures exchange, real estate trading centre, shipping centre, property rights transaction centre, short term inter-bank loan centre, foreign exchange centre and the insurance market will be run in the financial district to make it the most desired business area.

Sources at decision making level say that consideration would be given to making Pudong the first place in which foreign funded bank can conduct renminbi business. This will in turn consolidate Lujiazui's status as China's premier financial and trade district.

**PRC: Shanghai To Convert Ownership of State-Owned Firms**

OW2202142296 Beijing ZHONGGUO XINWEN SHE  
in English 1207 GMT 22 Feb 96

[FBIS Transcribed Text] Shanghai, February 22 (CNS) — Shanghai will transform up to 80 percent of its state-owned firms either into limited companies or companies controlled by shareholders over the next five years.

This reform scheme is included in this metropolis' current Ninth Five-Year Plan. The plan hopes to bring about a reduced liability ratio of the state firms from the prevailing 78 percent to a more acceptable 60 percent in 1997.

Placement of staff made redundant which will in turn boost productivity and cost-effectiveness, should also be achieved as a result of the conversion.

**PRC: Shanghai To Set Up Industrial Parks in Other Areas**

OW2202115896 Beijing ZHONGGUO XINWEN SHE  
in English 1109 GMT 22 Feb 96

[FBIS Transcribed Text] Shanghai, February 22 (CNS) — Shanghai intends to create industrial parks outside the municipality and the first of these will probably be located in the Sichuan city of Wanxian, said the Vice Secretary of the Municipal Government and Director of the Municipal Co-ordination Office, Jiang Guangyu.

Speaking at a seminar attended by representatives from other provinces and cities, Mr. Jiang said that Shanghai would strategically devolve its industry, commerce and trade, aviation and communications, finance and human resources to the central and western parts as well as the valleys of the Yangtze River. The shift aims to be a driving force that will lead to an economic liftoff along the valleys of the river.

During the present Ninth Five-Year Plan, Shanghai will follow the example of the Singapore operated Suzhou International Industrial Park.

The municipality will set up three to five industrial park zones in other provinces and cities.

The first will probably be in Wanxian City where Baimao Holdings Company of Shanghai is currently running a joint venture with a Wanxian chemical industry company.

Two other Shanghai chemical industry companies and some light industrial concerns are now negotiating with a Sichuan business group with a view to possible cooperation.



Shanghai's bureaux of chemical industry and light industry opt for Wanxian as a source of cooperation mainly due to the involvement of Sichuan city in the Three Gorges Projects. They want to establish Wanxian as a bridgehead in order to gain wide coverage of the entire southwestern area for the purposes of further development.

Shanghai authorities hope that Sichuan will capitalize on the Three Gorges Projects, the relocation plan and the Wanxian industrial park proposal to win approval from the central government for further development. Sichuan and Shanghai would join forces in taking the initiative in developing the industrial park zone.

**PRC: Status of Hangzhou Hi-Tech Industrial Zone Cited**

*OW2202132396 Beijing XINHUA in English  
1314 GMT 22 Feb 96*

[FBIS Transcribed Text] Hangzhou, February 22 (XINHUA) — Since it was established in 1991, the Hangzhou New and Hi-Tech Industrial Zone in the capital of Zhejiang Province has set up 410 businesses, 223 of which develop new and hi-tech projects.

Last year saw the zone getting total income of three billion yuan from technology, industry, and trade, with taxes climbing to 400 million yuan, and export goods worth 20 million US dollars.

A local official said that the zone has put 550 hi-tech items, that are among the best of their kind, into production.

The zone is planning on focusing on medicines, biological technology, new materials, computers, optics, and electronics.

**Central-South**

**PRC: Guangzhou Government, Military Leaders Speak at Forum**

*OW2202131696 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 13 Feb 96*

[From the "Provincial News Hookup" program]

[FBIS Translated Text] Government and military leaders in the Guangzhou area held a forum in Guangzhou this morning. Xie Fei, CPC Central Committee Political Bureau member and Guangdong provincial party committee secretary; Lu Ruihua, provincial party committee deputy secretary and Guangdong governor; Lieutenant General Tao Bojun, Guangzhou Military Region commander; and General Shi Yuxiao, Guangzhou Military Region political commissar, attended the forum and spoke.

On behalf of the provincial party committee and provincial government, Governor Lu Ruihua extended festival greetings to the commanders and fighters of the land, sea, and air forces and the border defense and fire-fighting units of the Armed Police stationed in Guangdong; and to the families of servicemen and martyrs, demobilized soldiers, wounded and disabled soldiers, soldiers who have been transferred to civilian jobs, and military retirees. He praised the commanders and fighters of the military units stationed in Guangdong, saying: While engaging in activities to strengthen themselves and protect the southern frontiers of the motherland, they have vigorously supported local economic construction by taking the initiative to maintain public order and strengthen the unity between the army and the government and between the army and the people, thus promoting social progress. In particular, they have greatly contributed by combating floods and providing relief to victims in recent years, thus fully demonstrating the army's political nature as a people's army that loves the people.

On behalf of the party committee of the Guangzhou Military Region, the departments under it, and the commanders and fighters of the military units stationed in Guangdong, Commander Tao Bojun extended New Year's greetings to party committees and governments at all levels in Guangdong Province and to the people of the whole province. Lauding the people of Guangdong, he said: While vigorously working to develop the economy, the people of Guangdong have placed even greater importance to the work of supporting the army and giving preferential treatment to the families of servicemen and martyrs. Many advanced examples of supporting the army, giving preferential treatment to the families of servicemen and martyrs, and supporting the government and cherishing the people [double support work] have come to the fore. The impact has been felt everywhere.

Comrade Xie Fei made an important speech at the forum. He said: This year is the first year of the Ninth Five-Year Plan. I hope that we will do a better job in our double support work this year.

**PRC: Guangdong Sees Steady Rise in Living Standards**

*OW2202142496 Beijing ZHONGGUO XINWEN SHE in English 1223 GMT 22 Feb 96*

[FBIS Transcribed Text] Guangzhou, February 22 (CNS) — The income and expenditure of people in the cities and towns of Guangdong Province have increased steadily and their living standard continued to rise, according to Guangdong Statistical Bureau.

Monthly income per head was RMB [Renminbi] 570.79 (HK\$ 530.26) — an increase of RMB 81.03 (HK\$ 75.28), or 16.5 percent, compared with the previous year, according to a random survey conducted last year on 1,550 households in the cities and towns of the Province. Taking inflation into account, real growth was 3 percent.

The monthly expenditure per head was RMB 521.13 (HK\$ 484.13) — an increase of RMB 89.35 (HK\$ 83.01), or 20.7 percent, compared with the previous year representing a real growth of 6.7 percent.

Last year, food consumption in Guangdong was typified by the continued pursuit of fresh, nutritious, delicious and convenient food.

Monthly expenditure on food per head was RMB 250.25 (HK\$ 232.48), an increase of 24.9 percent year-on-year, representing a real growth of 5.7 percent. Coarse food grain consumed increased by 50 percent, while eating out increased by 40.7 percent.

In 1995, expenditure on household products and services decreased, but the growth in purchases of principal durable goods such as air conditioners and freezers was rapid, amounting to 33.3 percent.

Ownership of all kinds of durable goods per 100 household continued to increase. Each 100 households possessed 104.97 televisions; it was the first time that every household had had one television on average. The popularity of washing machines and refrigerators was also high.

Consumer attention began to turn to air conditioners and motor cars and ownership reached 36.8 percent and 34.7 percent respectively, making them the first and second most popular durable products.

Household telephone installation also increased on a large scale. At the end of 1995, 75.4 percent of households had a telephone.

Last year, expenditure on medical expenses, rent, electricity and gas fees recorded the highest growth.

With the rise in living standards and the five-day working week, expenditure on travelling increased by 70.9 percent while, at the same time, money spent on jewellery decreased by 1.4 percent.

#### PRC: Guangzhou Outlines Major Infrastructure Projects

OW2302065896 Beijing XINHUA in English  
0631 GMT 23 Feb 96

[FBIS Transcribed Text] Guangzhou, February 23 (XINHUA) — This capital city of south China's Guangdong Province will start construction on eight

major projects in the Ninth Five-Year Plan period (1996-2000) as part of the city's modernization effort.

In the next five years, the city plans to expand its urban area to 216 sq km from the current 54.

As shown in the blueprint, the city will, in the upcoming five years and beyond, build subways with a total length of 49 km; the Guangzhou-centered highway network; two runways with an annual landing and take-off capacity of 1.6 million sorties, hitting the target of handling 27 million passengers and 740,000 tons of cargoes; 276 overpasses and 54 bridges; four large water works with a daily water supply capacity of 3.55 million tons and a daily sewage disposal capacity of 550,000 tons; 10 residential areas, which bring the city's per capital living space to 12 sq m and 15 sq m by the year 2000 and 2010, respectively; a garden afforestation network project with the Baiyunshan scenic spot as its center; and a 219.6-sq-km development zone with the Pearl River new urban area as the pilot area.

#### PRC: Henan Cites Results in Anticorruption Struggle

SK2302131596 Zhengzhou HENAN RIBAO  
in Chinese 16 Jan 96 p 1

[FBIS Translated Excerpt] In 1995, procuratorial organs across the province gave further impetus to the anticorruption struggle and achieved noticeable results in investigating and handling major and appalling cases. A number of economic criminals holding important posts were dismissed. A number of criminals guilty of corruption and bribery—including Li Jie, former director of the household registration section of the Zhengzhou Land Bureau; Li Huichang, chief engineer (deputy department level) of the provincial Petroleum Prospecting Bureau; Zheng Maoting, president of the Henan provincial branch of the China Investment Bank; Ren Yuwen, general manager of the leasing company of the provincial construction bank; Wang Zongfan, secretary of the party committee of the Nanyang Township Enterprise Bureau and director of the bureau; and Wang Baozhen, former head of Tongbai County—have been prosecuted by procuratorial organs in line with the law. According to statistics, from January to November 1995, procuratorial organs across the province filed to investigate 4,374 economic criminal cases of corruption and bribery, of which 2,628 were major cases involving more than 10,000 yuan each; investigated and handled 93 cadres at and above the county section level; and investigated 186 cases on bending the law or engaging in malpractice for the benefit of relatives or friends, which involved 214 people. Through handling these cases, economic losses totalling over 99.74 million yuan were recovered for the state and the collectives. The main characteristics were:



Procuratorial organs at all levels always regarded the investigation and handling of criminal cases involving leading cadres as the "most important task" of the anticorruption struggle. The number of appalling cases they investigated and handled rose by 19.2 percent over the same period last year. Some were corruption and bribery cases that caused great influence, including the cases of Ma Guofeng, deputy director of the Hebi Financial Bureau; Zhang Yizhu, vice chairman of the Anyang Economic Commission; Huang Dongsheng, director of the Xuchang Environmental Protection Bureau; Guo Zhendong, chief of the planning section of the provincial People's Bank; Wang Rongfu, vice president of the Nanyang Industrial and Commercial Bank; Yang Benyuan, vice president of the Jiaozuo Construction Bank; and Pei Guangliang, chief of the discipline inspection group of the Anyang branch of the Bank of China. The number of major and appalling cases investigated and handled by procuratorial organs rose sharply. From January to November 1995, of the major cases filed for investigation, 286 cases each involved more than 100,000 yuan, up 90.6 percent over the same period last year. [passage omitted]

Procuratorial organs gave impetus to investigating and handling criminal cases of corruption, bribery, and malpractice involving law-enforcement personnel. From January to November 1995, they investigated and handled 217 economic criminals who were judicial, administrative, and law-enforcement personnel; they also investigated and handled 186 cases on bending the law for the benefit of one's relatives and friends, involving 214 people. The number of cases filed for investigation and handling rose by 80 percent over the same period last year. They also investigated and handled 74 criminal cases of making false documents and shielding or hiding criminals to disrupt the handling of cases, involving 90 people.

### North Region

#### PRC: Hebei Secretary Addresses Political Work Conference

SK2202134996 Shijiazhuang HEBEI RIBAO  
in Chinese 19 Jan 96 pp 1, 3

[Report on speech by Cheng Weigao, Hebei provincial party committee secretary, at the Hebei provincial political work conference on 15 January: "Uphold the Party's Purpose, Implement the Fish-Water Project, and Raise the Close Relations of the Party and Government With the Masses to a New Level"]

[FBIS Translated Text] Fellow Comrades:

The provincial political work conference, which regards upholding the party's basic purpose, implementing the

"Fish-Water Project," and establishing close ties with the masses as the main theme, is of great significance. Strengthening and improving relations between the party and masses and between the cadres and masses is an important issue concerning the full mobilization of the enthusiasm and creativity of the broad masses for jointly building a strong economic province, and is the major measure for making party members and the party's cadres resist corruption and degeneration and maintain the proletarian advanced nature and purity under the new historical condition, and is the most fundamental condition for guaranteeing the social and political stability of Hebei Province.

During the central economic work conference, which was held recently, Comrade Jiang Zemin emphasized once again the issue on the party's mass viewpoint and mass line. He pointed out: "Do we not call on leading cadres, and in the first place, senior cadres, to emphasize politics? What are politics? Fundamentally speaking, political issues are mainly the attitude towards the masses and involve the relationship with the masses." He also emphasized: "Only by really grasping and implementing the mass viewpoint and mass line can we really grasp and implement the party's ideological line of seeking truth from facts, thoroughly implement historical materialism, and fundamentally understand politics." To carry out Comrade Jiang Zemin's aforementioned instructions, the provincial party committee has decided to implement the "Fish-Water Project" for strengthening and improving the relationship between the party and masses and between the cadres and masses across the province this year. I would like to make a few remarks on this issue.

#### I. We Should Fully Recognize the Importance of Upholding the Party's Purpose and Strengthening Close Ties With the Masses Under the New Historical Period

Upholding the party's basic purpose of wholeheartedly serving the people and always maintaining the flesh-and-blood ties with the masses is not a new issue that is presented now but is an ideological and political principle that our party consistently upholds. This principle is determined by our party's nature and is a significant symbol for distinguishing our party from other various political parties. During years of revolutionary wars, our party proceeded from the greatest interests of the broad masses; closely relied on the masses to fight a bloody battle under difficult circumstances featuring a wide gap between ourselves and the enemy; finally overthrew imperialism, feudalism, and bureaucrat-capitalism; and seized state power. Before holding political power, our party was brutally persecuted and "en-



circled and suppressed" by reactionaries. At that time, only by taking root among the masses and relying on the people's trust, support, and protection could we remain unconquerable. Therefore, the extreme importance of upholding the party's purpose and maintaining the close flesh-and-blood ties with the masses was more easily recognized and valued by people during the years of revolutionary wars. Since the founding of New China, our party has become the ruling one. In light of the new situation and issues caused by the change in the party's position, Comrades Mao Zedong, Deng Xiaoping, and Jiang Zemin have repeatedly exhorted the entire party to pay great attention to upholding the party's purpose and the mass viewpoint and mass line. The majority of the party's cadres have acted in accordance with this. But some cadres always feel that they are in ruling and leadership positions, so the sense of superiority, arrogance, and privileges have grown, and the situation of deviating from the masses has also developed. Particularly under the condition of reform, opening up, and development of the socialist market economy, some cadres have been eroded and influenced by money worshiping, pleasure seeking, and the extreme individualism of the exploiting class, so their mass viewpoint has been blunted and their relationship with the masses has become estranged. Should we still help, trust, and rely on the masses as well as maintain the flesh-and-blood ties with the masses under the new historical period? Various levels of cadres and leading cadres in particular should soberly and correctly recognize this question.

First, under the condition of reform, opening up, and development of the socialist market economy, there is and will be no change in the foundation for building the party — doing everything for the masses. The reason the issue of the people is a matter of the fundamental political principle is that all political parties represent the political interests of certain classes or strata. Our party is the vanguard of the working class, so the party's basic purpose is to wholeheartedly serve the people. Though the party's tasks are different at different historical periods, they all aim at working for the interests and happiness of the masses. To proceed from the party's basic purpose, Comrade Mao Zedong put forward the highest standard for judging right and wrong. This standard is that everything that Communists say and do must be in conformity with the greatest interests of and supported by the broadest masses. Comrade Deng Xiaoping put forward the notion that the fundamental yardstick for thinking issues and doing work is "whether the people support, agree with, and are happy and comply with them." Reform, opening up, and development of the socialist market economy do not, in the slightest degree, mean that there is any change in our party's basic purpose. The reason for this is that the market economy

that we are developing is integrated with the basic socialist system and embodies the socialist nature, so it is the socialist market economy. Developing the socialist market economy is the basic demand in upholding the party's purpose under the new historical condition, and its purpose is to energetically develop the social productive forces under the new economic system, unceasingly meet the steadily growing needs in the material and cultural lives of the broad masses, and finally achieve common prosperity. Therefore, the reform, opening up, and development of the socialist market economy will not change the party's purpose but can realize the party's basic purpose in a better way. No matter the time or situation, we should unswervingly uphold the purpose of wholeheartedly serving the people in the course of carrying out various tasks.

Second, firmly trusting and relying on the masses is still the basic guarantee for fulfilling various tasks in the new period. The experiences gained since the Third Plenary Session of the 11th CPC Central Committee have shown that the masses are the source of strength and foundation for successfully carrying out the reform, opening up, and modernization drive. Various reform and development achievements have been made by relying on the arduous efforts of the masses. Without the joint efforts of the entire people, nothing can be accomplished in reform, development, and stability. In line with the guidelines of the 14th National Party Congress and of the Third, Fourth, and Fifth Plenary Sessions of the 14th CPC Central Committee, and through the efforts of the Ninth Five-Year Plan period, Hebei Province should initially establish the socialist market economic system; guarantee that the GNP will octuple the figure for 1980, and the per capita GNP will increase by 500 percent; and achieve a level of moderate prosperity in the people's lives. Besides, it is imperative to significantly enhance the ideological, moral, scientific, and cultural quality and to take decisive steps in making main economic targets stand at the forefront of the whole country and in building a strong economic province in an effort to lay a solid foundation for implementing the third-step strategic target at the beginning of the next century and for building a prosperous, strong, democratic, and civilized socialist and modernized Hebei Province. To fulfill this glorious and arduous task, we should take further steps to closely rely on the masses as well as to do a good job in protecting, guiding, and giving play to the enthusiasm and creativity of the broad masses. No matter how many difficulties and problems there are in the course of progress, so long as the party committees and governments at all levels respect, believe in, and rely on the masses; unite with the broad masses; and boost everyone's enthusiasm, there will be no problems

that cannot be resolved, no difficulties that cannot be overcome, and no tasks that cannot be fulfilled.

Third, taking ideas from the masses and then going to the masses to put the ideas into practice is still our party's basic line for the work in leading the reform, opening up, and modernization drive. Comrade Deng Xiaoping said: "Many things involving reform and opening up are presented by the masses in the course of practice. My contribution is summarizing these new things and further improving them." This thesis fully affirms the vitality of the leadership method of the party's mass line in the course of reform and opening up. Under the planned economic system, the power of much of the policy making is held by the central authorities, so the main tasks of local and grass-roots organs are to carry out instructions from higher levels and plans issued by the state. But under the condition of developing the socialist market economy, the situation has changed. On the premise of abiding by the party's line, guiding principles, and policies, and obeying the state's macroeconomic regulation and control; various places, departments, and enterprises should make their own policy decisions on reform and development in line with their own situations and conditions. Therefore, the more we promote reform and opening up and the more we develop the socialist market economy, the more the various levels of leading cadres should study and uphold the policy-making and leadership methods of "coming from the masses and going to the masses" in an effort to avoid subjectivity and one-sidedness in their work. We should really change the process of "coming from the masses" into a process of extensively carrying forward democracy, and should listen to the voice of the masses and respect the will of the masses so as to make various policy decisions that have the most extensive mass foundation and accord with the interests of the state and masses. We should really change the process of "going to the masses" into a process of educating, guiding, organizing, and conducting propaganda among the masses so that correct policies can be turned into the conscious actions of the masses, and the various tasks for reform and development can be smoothly realized with the masses' understanding, support, and participation.

Fourth, the relationship between the party and the masses has a direct bearing on the consolidation of the party's ruling position and the state's power. The emergence and existence of various political parties cannot be divorced from the social foundation. Our party is the vanguard organization of the working class, so its social foundation is the working class and the broad masses. If the party does not wholeheartedly serve the working class and does not establish flesh-and-blood ties with

the working class and the masses, the party's existence will be impossible. In the years of revolutionary wars and during the period of peaceful construction, there has been no change in the relationship between the party and masses. We should profoundly recognize that the party's ruling position is for providing better conditions for the broad masses of cadres to serve the people. The power of cadres entrusted by the party and the people can only be used to serve the people and can never be changed into a tool for seeking personal gains. To consolidate the party's ruling position, we should not only rely on the protection of the state law and state organs, but more importantly, should rely on the party to do practical things and seek the interests of people in an effort to win the support of the masses. Some of our comrades are prone to incorrectly recognizing the relationship between holding power and serving the people and between exercising power and performing duties, and therefore, the tendency of deviating from the masses has emerged. Comrade Deng Xiaoping warned the entire party at the Eighth National Party Congress: "Owing that our party is the ruling party across the state, the danger of deviating from the masses and the harm to the masses caused by deviating from the masses have been greatly increased." Since the convening of the Third Plenary Session of the 11th CPC Central Committee, central authorities have repeatedly exhorted us to withstand the test of holding power and the tests of reform, opening up, and development of the market economy in an effort to avoid making the mistake of deviating from the masses. Historical experiences have shown the fatal mistake that the ruling party will be inclined to make is to deviate from the masses. Seriously deviating from the masses will make the party contradict itself and lose its ruling position, make the foundation of state power collapse, and change the nature of the socialist nation. At present, hostile forces at home and abroad do not expect the existence of a strong socialist China and are bent on subjugating our country. Through "westernization" and "disintegration," they try in vain to annihilate our country. In an effort to isolate us, they spread the rumor everywhere that a powerful and prosperous China will be a threat. They constantly meddle in the Chinese people's internal issues and create incidents so as to create chaos. Therefore, we should have the political sense of being concerned about the party and state and should resolutely crush the various conspiracies of hostile forces. The various conspiracies of hostile forces at home and abroad are nothing to be afraid of so long as we maintain a sharp vigilance. Everything becomes putrid before the worms come up. If our party is seriously deviated from the masses, the conspiracy of hostile forces will succeed. Therefore, the top priority of consolidating the ruling party's position is to solidify



and develop the fish-and-water relations and the flesh-and-blood ties between the party and the masses and between cadres and the masses, and to rely on the efforts of the masses to successfully carry out the socialist modernization drive so that the indestructible great wall of steel will be built and the party and state will never change their color. This is the most important political issue.

To sum up the aforementioned statement, we can learn that under the new historical period, owing to the change of circumstances and conditions, upholding the party's basic purpose as well as strengthening and improving the relationship between the party and masses and between cadres and the masses has not become less important. On the contrary, this issue has become more prominent and important, and it has put forward new and higher demands. Hence, we should firmly establish the Marxist mass viewpoint, uphold the basic purpose of wholeheartedly serving the people, and enhance the consciousness of carrying out the party's mass line and maintaining close ties between the party and masses and between cadres and the masses.

## **II. We Should Correctly Analyze and Evaluate the Current Situation in the Relationship Between the Party and the Masses and Between Cadres and the Masses as Well as Strengthen the Sense of Urgency Toward Maintaining Close Ties With the Masses**

Judging from the overall situation, we should fully affirm that the present mainstream of the relationship between the party and masses and between cadres and the masses across the province is good. Since the Third Plenary Session of the 11th CPC Central Committee, a series of lines, guiding principles, and policies formulated by the party Central Committee have been correct and compatible to the will of the masses, and have embodied the immediate and long-term interests of the broad masses. The party Central Committee with Comrade Jiang Zemin as the core has taken a broad and long-term view, made overall planning, made a series of major policy decisions on the issue of reform, development, and stability, and further created a new situation for the socialist modernization drive. Party committees and governments at all levels and various functional departments across the province have conscientiously carried out the party lines, guiding principles, and policies formulated by central authorities and other serious policy decisions; actively implemented the purpose of serving the people; and done practical and good things for the masses. This plays a role in promoting rapid economic development, significantly improving the people's living standards, conforming to the common aspiration of the broad

masses, heightening their spirits, and making them support and trust the party. Throughout the reform, opening up, and modernization drive, the contingent of party members and cadres across the province has been unceasingly strengthened, and the majority of party members and cadres have been honest and self-disciplined and have diligently performed their official duties. For the broad masses of cadres working in the urban and rural grass-roots organs and poor areas in particular — though their life and living conditions are hard, and there are more difficulties there — the majority of comrades have been devoted to their duties, worked hard, and have not been upset by criticism; united with the masses, shouldered heavy responsibility and forged ahead, and have actively fulfilled various tasks assigned by higher levels. Among them, a large number of excellent entrepreneurs and secretaries of the county (city) party committees, township (town) party committees, and village party branches have come to the fore and won the support of the masses. The majority of the broad masses of party members and cadres who are in the first line of enforcing the law and discipline have upheld justice, impartially enforced law and discipline, dared to fight with various criminal activities and evil forces, and won the trust of the broad masses.

But we should also notice that the situation involving a few cadres in some areas and units that have deviated from the masses does exist, and some problems involving this are quite serious. The main ones are as follows: Some areas and units go their own way in dealing with some important matters with a bearing on the direct interests of the masses, and formulate local policies that infringe upon the interests of the masses so that the masses cannot get what they should have, and what has been banned by the central explicit order cannot be banned. Some leading organs and cadres have quite serious bureaucratic work styles, are satisfied with issuing orders, wallow in speeding parting guests and welcoming new arrivals, are unwilling to go down to grass-roots organs and resolve practical things for lower levels, or shift responsibility onto others as soon as problems crop up, so that small problems become big ones, and big ones become difficult ones. Some leading cadres are indifferent to the grass-roots' difficulties and the sufferings of the masses, and are unwilling to provide timely help to areas with big difficulties and many problems. They do not establish ties with poor people, but enthusiastically draw towards rich people. The leading cadres of some areas and units fail to realistically do their work and make good achievements; hanker after formality and formalism, and even deceive their superiors and delude their subordinates; report only the good news and conceal the bad news; and make false reports on their "performance." Some leading cadres first think



of their own interests whenever something crops up, and keep working all day long for their positions, money, cars, houses, and children. A few party members and cadres, including some leading cadres, who violate the repeated warnings and explicit stipulations of the central authorities, seek personal gains through power, barter power for money, and go in for other unhealthy activities, and some of them have degenerated into criminals. Some rural grass-roots cadres have selfish ideas, are dishonest and unfair in performing official duties, fail to make financial and government affairs public, are unwilling to hold discussions with villagers when handling affairs, and give favored treatment to their relatives and friends and seek personal gains when dealing with important matters with a direct bearing on the interests of the masses. Quite a few grass-roots cadres fail to conscientiously carry out the ideological and political work and the mass work, use simple and rigid methods to accomplish their tasks, and handle contradictions among people so that some good things that should be handled cannot be successfully carried out. Some law- and discipline-enforcing departments and personnel fail to handle cases according to law, fail to investigate and deal with those who violate the law, and even misappropriate their positions and power and bend the law to benefit relatives or friends. Some areas and departments violate the prohibitions of central authorities and the province, so that the "random collection of fees, fines, and donations" has gained ground again, and the peasants' unreasonable burden has rebounded.

Though only a few places, units, and cadres have the aforementioned problems, their influence is extremely bad. Even though the central authorities and provincial party committee made repeated warnings and strict stipulations, some places, units, and cadres have failed to promptly and correctly resolve these problems. Furthermore, these problems have been spreading in some aspects. This is manifested by the fact that the problem of violating discipline and committing crimes by the cadre contingent hit by the sugarcoated bullet and influenced by the decadent ideology of the exploiting class has become more prominent than before. The cadres of some areas and units have seriously deviated from the masses, so the relationship between cadres and the masses there has become tense. This not only jeopardizes the party's image, but also dampens the enthusiasm and creativity of the masses for building socialism and affects reform, opening up, economic development, and social stability.

There are both objective and subjective factors involving the problems concerning the relationship between the party and the masses and between cadres and the masses, but we should notice that the latter is the main factor. The first reason is that the position of the ruling

party makes various levels of party organizations and cadres face tests. Under the new situation of reform, opening up, and development of the market economy, the magic power of money has become bigger and bigger in social activities. The possibility of being permeated with the principle of the exchange of equal values in the inner-party and political life has been greatly increased. Party members and cadres face greater opportunities of being eroded and influenced by bureaucratic money worshiping, egoism, and the decadent life style day by day. In addition, it is difficult for all sectors to establish and improve the mechanisms of supervision and restriction overnight. Therefore, more arduous tests have been increased owing to these problems. Some party members, cadres, and leading cadres in particular have lacked a full understanding and sharp vigilance on this issue and have slackened their efforts to transform the outlook on the world after holding the power entrusted by the people, so that their public-servant sense and mass concept have become blunt, their work style of waging arduous struggles has been weakened, and their relationship with the masses has become estranged. The second reason is that judging from our work, the guiding principle of "attending to two tasks simultaneously and being successful in both" has not been conscientiously implemented in some places and units. Since reform and opening up, the party Central Committee has repeatedly emphasized that politics should be stressed at any time, but some leading cadres have engrossed themselves in routine duties. Some cadres have considered emphasizing material interests as the principle, so that they have paid no attention to dedicating themselves to wholeheartedly serving the people. Some cadres have set anticorruption work against economic development and held that the anticorruption work will affect economic development, and have slackened their efforts to grasp party building and honest administration building, grasped the work at one time and given it up at another, or held that they should avoid the "left" tendency. Consequently, for some issues that the masses are concerned about or dislike, such as the issue of prohibiting cadres from enjoying themselves with feasting and other kinds of entertainment with public funds, and the issue of "cracking down on pornography and illegal publications," they have failed to have a clear-cut stand, firm attitude, or effective measures. The third reason is that although a large number of problems concerning the relationship between the party and masses and between the cadres and masses, as reflected in grass-roots organs and cadres, they have a close bearing on the party committees and governments at higher levels. For instance: The incorrect and careless policy decisions of higher levels make lower levels infringe upon the interests of the masses in the course of implementation. The higher

levels set too high and pressing demands on tasks and neglect briefing methods for fulfilling tasks so that some grass-roots cadres engross themselves in fulfilling tasks and neglect policies and methods, and consequently, make a mess of good things. For some contradictory points involving the mutual interests of the masses, the efforts of the province, cities, and counties to study new policies and methods in line with the changed situation has been insufficient. In recent years, the grass-roots cadre contingent has been rapidly renewed but a large number of cadres have lacked the nurture of the party's fine tradition. The party committees and governments at higher levels have been so absorbed in grasping more work and tasks that they have failed to set strict and high demands for training and educating cadres. Consequently, old cadres find old methods useless but have yet to learn new methods; and some young cadres do not know how to follow the mass line or do the mass work. All of these are factors affecting the relationship between cadres of grass-roots organs and the masses. The fourth reason is that in recent years, we have relied on the mass media to conduct ideological education, so that the work of carrying out meticulous ideological and political work in a specific and down-to-earth manner in quite a few grass-roots organs has been weakened. Therefore, some people's ideas on collectives, the state, and legal systems have become blunt, and as a result, individualism and anarchism have developed to some extent. This is also one of the problems that we should pay attention to.

In brief, for the present situation in the relationship between the party and masses and between cadres and the masses, we should not only pay attention to the main stream, but also notice the seriousness and harmfulness of problems and enhance the sense of responsibility and urgency toward strengthening and improving the relationship between the party and masses and between cadres and the masses. As far as various levels of leaders and cadres are concerned, the main tendency is that they have failed to fully recognize and highly value the importance of the relationship between the party and masses and between cadres and the masses. Whenever problems crop up, they do not draw inferences from other cases, summarize experiences and lessons, or actively strengthen and improve their work. What they worry about is whether or not their prestige and the higher levels' view of them will be affected, so they always conceal the problems that have occurred, and try in vain to reduce a big problem into a small one, and a small one into nothing. If this tendency continues, the overall situation will be very dangerous. What our forefathers said is quite right: "The people are the foundation of the state, and the stability of the state hinges on the solid foundation." The common people

are like water, and "the water that bears the boat is the same that swallows it." Various levels of party committees and governments should emphasize politics, inherit and carry forward the party's fine tradition from the high plane of implementing the party's basic line and consolidating the position of the ruling party and the state power, place the strengthening and improving ties with the masses high on the agenda, take this work as an extremely urgent political task, realistically and successfully grasp it, unite with and rely on the broad masses in a better way, and unceasingly promote the successful development of the party's and people's various socialist undertakings.

### **III. We Should Comprehensively Make Plans for Implementing the "Fish-Water Project" and Realistically Strengthen and Improve the Relationship Between the Party and Masses and Between Cadres and the Masses**

To further maintain the fish-and-water ties with the masses and to prevent and curb the emergence and spread of various deviant situations among the masses, we should regard the "Fish-Water Project" as an important task of the current party building and political work, successfully carry it out, make plans for implementing it across the province, grasp it for three years running, get initial results during this year, and make great results during the third year. In the course of implementing this project, ideological education, strict management, building of systems, concerted efforts by higher and lower levels, coordination between different departments, and other practical measures should be organically combined. Through carrying out comprehensive management and implementing the "Fish-Water Project," the concept of regarding various levels of cadres wholeheartedly serving the people as the purpose should be strengthened, the mass viewpoint of various levels of cadres should be further strengthened, unhealthy tendencies of deviating from the masses should be prevented and curbed, consciousness of carrying out the party's mass line should be strengthened, work style should be realistically transformed, a number of issues involving the relationship between the party and masses and between cadres and the masses should be resolved in a down-to-earth manner, and the cohesion, power of summoning people for a cause, and fighting power of various levels of party organizations should be strengthened. Effort should be made to mobilize, organize, and lead the broad masses to push forward the grand undertaking of building a strong economic province and a modernized Hebei Province. For this, we should successfully carry out the following 15 tasks.



1. We should extensively and deeply reeducate all party members and various levels of cadres in particular with the Marxist mass viewpoint and the party's mass line. For cadre training in a period for some time to come and especially this year, we should regard education on the mass viewpoint and mass line as the major content. We should select and study the theses of Comrades Mao Zedong and Deng Xiaoping on this aspect; advocate restudying Comrade Mao Zedong's works, such as "Serving the People," "In Memory of Bethune," and "Showing Concern for the Masses' Life and Paying Attention to Work Methods," study Comrade Jiang Zemin's theses on this issue set forth in his speeches presented during the Fourth and Fifth Plenary Sessions of the 14th CPC Central Committee, Central Economic Work Conference, and his inspection of Beijing Municipality; and study the "Decision of the CPC Central Committee on Strengthening Ties With the Masses" adopted during the Sixth Plenary Session of the 13th CPC Central Committee. Through education and study, we should further recognize the great significance of maintaining close ties between the party and the masses in the new period. We should also firmly establish the viewpoint that the people and masses are the creators of history, and the viewpoints of learning from the masses, wholeheartedly serving people, that cadres' power is entrusted by people, of unity between responsibility to the party and people, and that the party should rely on the masses and educate and guide them to forge ahead. Whether or not we firmly establish the Marxist mass viewpoint and uphold the party's mass line should be manifested in the unity between performance and work styles. Only through good performance can the people feel happy, and only by having a good administrative work style can people feel relieved. We should make clear that a cadre with a good administrative work style but mediocre performance is incompetent. The party and people cannot feel relieved by placing a cadre with some achievements but with a bad work style in an important position. Whether a cadre's performance and work style are good or bad should be evaluated by the masses.

2. We should carry out the activity of "studying theories and the party Constitution and learning from the advanced," examining "outlooks on the world, life, and values," overcoming "individualism, money worshiping, and pleasure seeking," and persisting in "wholeheartedly serving the people" step by step in a planned way in an effort to enhance the ideological and political quality of party members and cadres. At present, the provincial organs are conducting this activity. We should ensure quality, strictly forbid perfunctory work, and redue what has been done as a mere formality. After this work conference, in line with the guidelines of the No. 14 doc-

ument of 1995 issued by Hebei Province, we should gradually spread this activity among leading organs of cities, prefectures, and counties by stages and in groups and give priority to resolving the problems involving leading bodies and cadres and the middle-level backbone cadres. Spreading this activity across the province will take one year, and a unit should spend at least half a month on this activity. Through this activity, we should firmly establish the concept on the party's purpose and the sense of public servants; carry forward the fine tradition of making arduous efforts and practicing thriftiness, overcome various viewpoints on individualism, fame, and gains; do a better job in upholding the party's mass viewpoint and mass line; unceasingly establish a correct outlook on the world and life; and enhance the ideological and political quality of cadres.

3. We should extensively and deeply conduct the activity of "keeping the people at heart, cherishing the people, and serving the people" so as to further establish the good image of various levels of cadres. In line with the demands of the "Opinions on Strengthening the Socialist Spiritual Civilization Construction During the Ninth Five-Year Plan Period" adopted during the first plenary session of the fifth provincial party committee, various levels and kinds of cadres across the province, as well as the party and government leading organs and the law and discipline enforcement departments at and above the township level in particular, should deeply and persistently conduct the activity of "keeping the people at heart, cherishing the people, and serving the people." This aims at helping various levels of cadres — leading cadres in particular, to establish the good image of feeling concerned about the people, keeping the people at heart when doing work, diligently performing official duties and cherishing the people, and handling affairs for the people. On the basis of restudying and reeducating the mass viewpoint and mass line, various places, departments, and units should use the spirit of rectifying incorrect work styles to conscientiously change the leading bodies' weak mass viewpoint. Besides, they should specifically formulate measures for the rectification movement and mobilize cadres from their own places, departments, and units to eagerly meet the needs of the masses, resolve a number of practical issues that can be resolved for the masses, help the masses overcome a number of difficulties that emerge in the course of production and life, and strive by every possible means to make things convenient for the masses and serve the masses. At the same time, through strengthening the building of systems, we should standardize the cadres' behaviors, establish and perfect various laws and regulations, enhance the quality and efficiency of serving the people, and gradually foster good professional ethics, habits, and behaviors.



4. We should strengthen the construction of rural grass-roots party organizations and extensively carry out the activity of making peasants feel happy and relieved. Various levels of party committees should further implement the guidelines of the decisions of the Fourth Plenary Session of the 14th CPC Central Committee, eighth plenary session of the fourth provincial party committee, and relevant meetings, and should further grasp the construction of rural grass-roots party organizations. On one hand, rural grass-roots party organizations should regard the "five good things" as the target, and the crux of this matter is to select a good secretary, build a good leading body, and take a good path in developing the rural economy and increasing the collective income. If this can be successfully carried out, the rural party branch will have authority and win the trust and support of the masses. On the other hand, in the construction of rural grass-roots party organizations, while making efforts to improve "lax" and "backward" leading bodies and strive to be the first, we should extensively carry out the activity of making the broad masses of peasants feel happy and relieved about the party branch and the committee of villagers. To make people happy means that various party branches should do some things to delight peasants in a down-to-earth manner every year. To make people feel relieved means we should manage villages according to law; carry out democratic management and supervision; and make public the financial affairs at the village level, method for allocating areas for housing, standard for contracting the projects of various trades, power rates, allocation of family planning quotas, and task of the fixed-quota purchase of grains and cotton in an effort to make peasants feel happy about rural cadres and grass-roots organs. Regarding the activity of "making people happy and relieved," during this year, significant results should be achieved in 50 percent of the villages, and a good start should be made in an additional 30 percent of villages. While strengthening the construction of grass-roots party organizations, we should strengthen and do a good job in building the self-government organs of the committee of villagers and various mass organizations and give full play to their role in self-education and management.

5. We should realistically and firmly grasp honest administration building, fight corruption, and win the people's trust.

Various levels of party organizations should resolutely and persistently grasp the anticorruption struggle and do a good job in honest administration building. We should resolutely deal with the behaviors of abusing power to seek personal gains and bartering power for money, resolutely check the gluttony and pleasure-seeking trend despite repeated orders and the unhealthy tendencies in

trades that get people into trouble and cheat people, and resolutely sweep away the corrupt elements from the contingent of cadres and party members. Grasping the anticorruption struggle is an important symbol for judging whether various levels of party committees and leading cadres are firm in politics. The first plenary session of the fifth provincial party committee emphasized that when continuing to strictly abide by the regulations on making leading cadres honest and self-disciplined, which were promulgated by the central authorities and the Central Discipline Inspection Commission, we should resolutely abide by the "Ten Prohibitions." What should be prohibited is withholding local financial revenues for personal use, working out false budgets, and concealing income; establishing various forms of unauthorized coffers in departments and units under our charge; transferring a portion of funds and extorting money and material from grass-roots organs in violation of regulations; participating in contracting construction projects; reaping gains in various economic activities; making exclusive bookings of rooms in guest-houses, hotels, and hostels; running singing or dancing halls to make money; getting drunk; playing mahjong; and using public cars for private purposes. The various party and government cadres at and above the township (section) level should resolutely abide by the "Ten Prohibitions." Various levels and departments should work out the stipulations on making cadres honest and self-disciplined in line with their own situation. Various party members and cadres should do a good job in self-respect, self-vigilance, and self-encouragement; be strict with themselves; check erroneous ideas at the outset; and strengthen the ability to resist the erosive influence of various decadent ideology and life styles. Various levels of party organizations should set strict demands on cadres and strictly manage and supervise them in an effort to make them strictly enforce discipline, resolutely overcome liberalism and the situation of seeking good relations with all and sundry people at the expense of principle, dare to oppose and check various unhealthy trends, and give stern punishment to the people who violate the law and discipline. Beginning this year, various levels of party committees should earnestly present year-end reports to the party committee at the higher level during the year-end appraisal. The report should include the situation in making leading cadres honest and self-disciplined, achievements of and problems involving leading cadres who personally handle major and serious cadres and check unhealthy trends, and the evaluation of the party and administrative work style of leading organs made by the masses of local areas and departments.

6. We should make the policy decisions of leading organs democratic and scientific. Various levels of

leading organs and, in particular, party committees at and above the county level should establish and perfect democratic and scientific procedures for policy making and implementation and ensure correct policy decisions and effective implementation. For various problems involving reform, development, stability of the overall situation, and immediate interests of the broad masses, we should follow the mass line and make policy decisions in line with the principle of strictly carrying out democratic centralism. The leading cadres at all levels should always bear in mind Comrade Jiang Zemin's thesis of "no policy-making rights for those who make no investigation and study." Therefore, before making policy decisions on major issues, efforts should be made to go down to the masses, conduct full investigations and studies, extensively listen to the suggestions of various sectors, encourage and support grass-roots cadres and the masses to tell the truth, and be good at pooling the wisdom and experiences of the masses so as to correctly make policy decisions. When making policy decisions on major issues, party committee members should hold collective discussions and make collective decisions, fully carry forward democracy, and correctly exercise centralism based on democracy. It is imperative to prevent an individual or a few people from having the final say and avoid making policy decisions based on experiences alone. After making policy decisions, we should clearly divide work with individual responsibility, strengthen supervision and inspection, and resolutely grasp implementation. We should strictly investigate and deal with those who resist work, dispute over trifles, shift responsibility onto others, and have their own way in work.

7. We should institutionalize the work of making various levels of cadres go down to grass-roots organs and conduct investigations and studies. Leading provincial cadres should go down to grass-roots organs for a quarter of the year or so, and live in village households or enterprise for at least ten days. Each provincial leading cadre should make contact with a large or medium-sized enterprise, village of moderate prosperity, and poor village; grasp a joint-venture project to introduce funds and advanced techniques; and establish ties with a poor rural household and a difficult urban enterprise. We should advocate the practice of making cadres write investigation reports by themselves. Various provincial departments and various cities, prefectures, and counties should make corresponding regulations in line with the above-mentioned demands and their actual situation. The leading cadres should go down to grass-roots organs without many attendants at the next level crowding around and avoid disrupting people's lives and going in for formalism. They should not stay at the leadership echelon alone, but should make more contact with the

masses. When going down to grass-roots organs, they should lead a hard life and avoid becoming special persons or increasing the burden of the masses. They should exert arduous efforts to conduct investigations and studies, find out the real situation, and accurately find out problems. After going down to the grass-roots organs, they should sincerely listen to the opinions, suggestions, and criticisms of the masses in an effort to improve their work. They should inspect the implementation of the party's line, guiding principles, and policies and resolve the problem of failing to grasp implementation. They should promptly discover the faults and deviations of the policy decisions that have been made, and perfect and correct them as soon as possible. They should eliminate difficulty and misgivings for grass-roots cadres and the masses and help them resolve the practical difficulties that exist in production, work, and life.

8. Various cities and counties should do some important and practical things in a down-to-earth manner every year, and, in particular, the things that move and unite the people. Some of these things may belong to the material civilization construction, and others may belong to the spiritual civilization construction, productive and urban construction, or people's lives. Some may have a bearing on the long-term interests of the masses, and others may have a bearing on the immediate interests of the masses. Only by achieving some important and practical things in one year can we make the broad masses see hope and prospect and notice that the party and government realistically handles affairs for the masses. This way, we will enjoy popular support. In line with the aforementioned demands, various cities and counties should make policy decisions after investigation and study, make known the important and practical things that will be handled at the beginning of the year, report them to the masses in the middle of the year, and reveal the results to the masses at the end of the year.

9. We should proceed from the needs and wishes of the masses and really achieve success in the beneficial work. To handle affairs for the masses, we should proceed from the actual needs of the masses, but not the subjective wish of leaders. We should uphold the principle of making the masses participate in various things on a voluntary basis. For the project of making rural areas attain a level of moderate prosperity and the plan for helping the poor and tackling problems, we should conscientiously implement them in line with the existing plan. In the course of implementation, we should lay focus on holding full discussion with the masses and pay simultaneous attention to doing our best and acting according to our ability. The public utilities of villages should be initiated with the collective income



and by the voluntary labor of villagers, and villagers who become prosperous first should be encouraged to make more contributions. At the same time, on no account should village authorities forcibly collect funds beyond the capability of the masses for the sake of attaining a level of moderate prosperity. A series of policies on alleviating peasants' burden issued by the party Central Committee and State Council in recent years will be unchanged, the items that have been canceled by the explicit order will not be allowed to be restored, and the examination and approval of items concerning increases in the peasants' burden will all be suspended. During the first half of this year, we should make a comprehensive inspection of the peasants' burden in various counties, townships, and villages. We should lower any burden that is unreasonable and over the 5-percent quota set by the state. In addition, we should issue peasants' burden supervision cards in an effort to give peasants the right to refuse to pay the fees and funds other than what is stipulated in the peasants' burden supervision cards. We should seriously investigate and punish those who increase peasants' burden and create ill effects. When organizing peasants to participate in the production of capital farm produce, we should adopt the methods of education, mobilization, policy guidance, and social service, but avoid the methods of coercion and commandism and meting out punishment easily. We should resolutely put an end to the practice of infringing upon the interests of the masses and hurting people's feelings in the purchase of farm produce.

10. In line with the demands of "strictly enforcing the law and enthusiastically rendering service," we should rectify and build an ideologically and politically qualified law- and discipline- enforcing contingent. "Strictly enforcing the law and enthusiastically rendering service" are the words of encouragement written by Comrade Jiang Zemin to Jinan's traffic police, and they should also become the motto of various law- and discipline-enforcement departments. The public security, court, procuratorial, industrial and commercial, taxation, public health, supervision, discipline inspection, and other law- and discipline-enforcing departments should realistically step up efforts to improve themselves; firmly establish the work-respecting spirit of doing a good job in holding power for the people, studying the law, enforcing the law, and rendering service; strictly and impartially enforce the law and discipline; resolutely overcome the behaviors of practicing favoritism and perverting justice for bribes; give backing to justice; and crack down on criminals. We should establish a system of making leaders take responsibility for the contingent construction. For the places and units with many problems and those facing many complaints by the masses

owing to unfair law and discipline enforcement, if there are many problems proven to be true after investigation, the responsible leaders should be held accountable. We should intensify our efforts to investigate and handle law- and discipline-breaking cases. In particular, we should seriously investigate and handle any law- and discipline-breaking case that creates bad influence and serious consequences as soon as we discover it, and no toleration is allowed. We should establish and perfect the mechanism of exercising supervision over various levels, carry out the system of investigating and affixing responsibility to those who misjudge cases as well as the system of appraising cases in law- and discipline-enforcing departments, and give full play to the supervisory role of the masses, public opinion, the administration, and the law. During this year, we should promote the exchange of leading cadres of law- and discipline-enforcing departments and make this a practice. Various comrades should strengthen the sense of respect for organization and discipline, resolutely obey organizational transfer, and resolutely transfer those who refuse to obey organizational arrangement from their leading posts. We should implement the guiding principle of paying simultaneous attention to special organs and the mass line, further carry out the comprehensive management of public security, intensify efforts to crack down on crimes, add impetus to doing prevention and improvement work through the efforts of the masses, and strengthen the sense of security of the masses.

11. We should actively clear and expand the channel for maintaining ties between the party and masses and conscientiously deal with and take responsibility for the suggestions and demands of all sectors. A. We should continuously uphold and perfect the people's congress system, strengthen the multi-party cooperation and political consultation under the party's leadership, and give better play to the role of the organizations of the people's congress and the Chinese People's Political Consultative Conference [CPPCC], of deputies of the people's congress, and of the CPPCC members in supervising the work of the party and government. B. We should further strengthen the work to handle people's complaints and the work of soliciting people's suggestions. We should establish and uphold the system of designating one day for leading cadres to receive people as well as the system of making leading cadres personally deal with the complaints of the masses reported in their letters and visits. We should seriously deal with and promptly handle the problems reflected by the masses, and in particular, the problems involving leading cadres. On no account should we shift responsibility onto others or allow connivance. We should ensure that the suggestions solicited from people will have results and replies. C. We should give full play



to the role of the Trade Union, the Communist Youth League, Women's Federation, and other mass organizations as channels and bridges in strengthening ties between the party and masses. Various mass organizations should promptly report the opinions from grass-roots organs and masses to the party committee and assist the party committee and government in doing a good job in straightening out the thinking of the masses through persuasion. D. Various levels of party committees and governments should accurately and promptly report to higher levels any important problems and any problems involving the relationship between the party and the masses or between cadres and the masses which occur in their locality. Concealing facts and telling lies should be completely prohibited. We should support the information organs and personnel of party and government departments in order to report both good and bad news, and we should especially dare to report bad news. We should seriously punish those who conceal facts and who fabricate and tell lies as soon as they are discovered. E. We should give better play to the role of news media departments in maintaining ties with the masses, reflecting their opinions, and we should carry out supervision through the media. Reporters should adhere to the party spirit and principle as well as the propaganda discipline, and should correctly reflect hot and focal issues that primarily concern the masses. F. The responsible comrades of various levels of party committees should make friends who will give forthright admonition to workers, peasants, intellectuals, democratic parties, and other people; through them, they should experience and observe the social situation and people's will as well as discover problems in an effort to improve work.

12. We should energetically enhance the policy understanding of leading cadres and their ability to correctly handle various contradictions among people under the new situation. At present, owing to the change of the economic system, the readjustment of the interest pattern, the social and ideological opening up, and other factors, various contradictions have significantly increased among the people. Without proper handling, some contradictions may easily develop into mass and sudden incidents, and may even become local confrontations. In order to correctly remove the various contradictions among the people, various levels of cadres, leading cadres in particular, should act in line with the new conditions; should review Comrade Mao Zedong's work "On Correctly Handling the Contradictions Among the People"; and should enhance the policy concept and ability of correctly handling contradictions among the people. First, we should strictly distinguish two different types of contradictions: contradictions between the enemy and ourselves, and contradictions among the people. We should never use the dictatorship method to

remove contradictions among the people. Though criminals among the people should be punished according to law, there is a difference of principle between punishing criminals and enforcing dictatorship over the enemy. Second, we should use the democratic method, namely the method of "unity-criticism-unity," to remove contradictions among the people. We can achieve new unity on the new basis only by starting with the desire for unity; by taking the same stand as the masses; by cherishing deep feelings for the masses; and by adopting methods of persuasion, education, mediation, consultation, criticism, and self-criticism to resolve problems. Third, we should perform administration duties according to law. The public security organs and armed police force are the state's law-enforcing and security armed forces as well as the important apparatus of the people's democratic dictatorship. Thus, they cannot be wantonly employed to engage in activities beyond their duties, such as dismantling and relocating homes, pressing for the delivery of grains and imposing fines, imposing faming planning, and solving economic disputes. In addition, they cannot indiscriminately use their weapons and adopt compulsory measures to infringe upon the personal and democratic rights of citizens. For those few who unreasonably become entangled with each other, we should combine the efforts of education, the legal system, and administrative measures and should remove obstructions to ensure that problems can be resolved in an orderly manner according to the law. When having to employ public security and armed police forces to handle the extremely few incidents that endanger public security, we should go through the procedures of report, examination, and approval according to stipulations in advance. Fourth, we should pay attention to resolving problems before they develop and at the grass-roots level, and should prevent expanding and aggravating contradictions. During this year, various levels of party committees and governments should make plans to assign cadres to grass-roots organs and to classify, investigate, and resolve various contradictions and disputes among the people. For those who are bureaucratic, who fail to promptly resolve problems, or who aggravate contradictions and create serious consequences owing to their improper handling methods, the responsibility of relevant leaders should be called into account.

13. We should actively adopt measures and realistically resolve the practical issues concerning the vital interests of the masses in the course of reform. At present, the practical problems that the broad masses of people encounter and the problems they complain about include two kinds. The first is some new and specific problems that occur in the course of reform and development. For example, life is difficult for the staff and workers of enterprises that "stop operation and production and

lose money." The wages of government employees and teachers in financially difficult counties cannot be paid on schedule. Peasants in poor areas face shortages of food and clothing. These three problems have not been effectively resolved. The second is the new contradictions emerging in the course of deepening reform, such as random price increases in agricultural means of production, unfair distributions in society, and disputes over the contracting of rural fruit farms and the use of land. For the first type of problems, regardless of the financial difficulty or the shortage of funds, various places should resolutely ensure that living subsidies for urban staff and workers residing in abject poverty and for low-income residents will be granted; that the basic wage of government employees and teachers will be paid on schedule; and that poor peasants facing shortages of food and clothing can obtain adequate food and clothing. At the same time, various places should put the following tasks on the important agenda: ending both deficits and the increasing surplus of money-losing enterprises; instituting the "reemployment project" for staff and workers without jobs; instituting the "financial self-support project" for financially difficult counties; instituting the plan to help the poor and to tackle problems in poor areas; and instituting "the project to achieve common prosperity in poor areas." Efforts should also be made to firmly and successfully carry them out and achieve good results. For the second type of problem, we should list special topics for investigation and study in line with our work responsibilities; during the first half of this year, we should formulate methods for alleviating these contradictions. We should make up our minds to resolve those problems that should and can be resolved as soon as possible. As regards the sharp price increases in agricultural means of production, relevant departments should spare no effort to adopt resolute measures to lower unreasonable prices. As regards the "food basket project," we should grasp production and supply, should reduce circulation links, should rectify the market order, and should curb inflation.

14. We should give play to the party's political advantages as well as strengthen and improve the ideological and political work of the cadres and masses. At present, what we should pay attention to is that the ideological and political work in grass-roots organs has been weakened. We should notice that ideological and political work is one of our party's political advantages, and on no account should we neglect this advantage when emphasizing politics. We should not only have firm faith in and rely on the masses, but should also educate and guide the masses to forge ahead through in-depth ideological and political work. To strengthen ideological and political work, we should conscientiously implement "some opinions on strengthening and improving

the ideological and political work of enterprises" and "some opinions on deeply carrying out the activity of rural socialist spiritual civilization construction" jointly issued by the General Offices of the party Central Committee and the State Council. In rural areas and enterprises, we should conduct education on socialism, using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the nucleus; conduct education on patriotism, which considers loving the country, township, and work as the central content; conduct education on collectivism, which regards ardently loving collectives and making dedication to society as the main content; and conduct education on engaging in arduous struggles and achieving self-reliance with our own efforts, on situational and policy education, and on democracy and legal systems. In the course of conducting such educations, we should not only adhere to the principle and correct ideology, but should also pay attention to diversifying methods to counter specific problems; should not only do a good job in "imbuing" people with advanced ideology, but should also pay attention to strengthening self-education; should not only rely on the strength of truth to persuade people, but should also rely on the character of party members and cadres who set examples to influence people; should not only eliminate difficulties and misgivings for the masses and serve them, but should also guide the broad masses of people to carry out various tasks through self-reliance, thrift, and hard work; and should not only use ideological theories to guide people, but should also use systems to standardize manner of behavior. In brief, in carrying out the party's ideological and political work on the basis of inheriting the party's fine traditions and excellent methods, we should be bold in promoting reform and bringing forth new ideas; should explore new methods; should do a good job in improving work and carrying out practical things; and should win the support of the broad masses of people.

15. We should realistically strengthen the leadership over the "fish-water" project and should strive for actual results. Various levels of party committees and governments should correctly recognize and handle the dialectical unity between politics and the economy. We should unwaveringly regard economic construction as the central task, and should notice that if the economy cannot be promoted, nothing can be accomplished. However, economic construction cannot be carried out in isolation, and it should be guaranteed by politics. As the epitome of the economy, politics guides and serves the economy. Various levels of leading cadres should deeply recognize the great significance of the "fish-water" project from the political perspective. Efforts should be made to turn this project into a project to implement the party's



purpose and to maintain close ties with the masses; into a motivating project to inspire and unite the people; into a project to support reform, development, and stability; and into a project to guarantee that Hebei's Ninth Five-Year Plan and long-term target for the year 2010 can be achieved. For the various tasks for the "fish-water" project defined in this work conference, the Standing Committee members of the provincial party committee and vice governors should divide the work in line with their individual responsibilities. The general office of the provincial party committee should assign these tasks to various cities, prefectures, and provincial departments for implementation, and should strengthen supervision and inspection. On the basis of deeply conducting investigations and studies, various locations and departments should make plans for implementing the "fish-water" project in their own locations and departments. The achievement evaluation for the "fish-water" project should be integrated with the year-end work evaluation and the appraisal of various levels of leading bodies and cadres. In carrying out this activity, we should proceed from the immediate needs of the masses, pay attention to actual results, and avoid formalism. We should not only handle important matters, but should also handle small ones and pay attention to proceeding from small specific things. When summarizing China's revolutionary experiences, Comrade Deng Xiaoping said: "Soldiers deliver water to residents, and officers tuck in the soldiers' bedclothes, hold 'Zhuge Liang meetings' on the battle front, protect the health and pride of prisoners, and do not search the pockets of prisoners. Though these are all small things, a series of great successes is closely integrated with them." Various levels of leading cadres should consciously abandon the "large and empty" work method; should establish a strong sense of being willing to do small things for the masses; should begin with small things; and should pool the tiny drops to form an ocean. We should pay attention to positive and negative typical cases, add impetus mass media, commend advanced people and units, and spur on backward ones. The "fish-water" project covers various fields, so the demand is high and the tasks are arduous. Various levels of party committees and governments as well as their functional departments should grasp and manage the project through concerted efforts. Through the down-to-earth work and efforts of various levels and circles, we should realistically and effectively implement the "fish-water" project, which affects Hebei's economic and social development.

Fellow comrades, through successfully holding the fifth provincial party congress in October 1995 and the relevant meetings afterwards, the historical tasks shouldered by various levels of party organizations and cadres have been defined, and the targets for advancing

toward a new century have been formulated. The main issue at present is to further mobilize the enthusiasm and creativity of the masses of various nationalities across the province in an effort to provide strong motivation for achieving the set tasks and targets. The provincial party committee believes that following this work conference, various levels of party organizations and cadres across the province will more consciously strengthen the concept on the party's purpose; will maintain close ties with the masses; will carry out the party's mass line; will accelerate the pace of Hebei's reform, opening up, and modernization drive; and will march towards greater success one after another.

#### **PRC: Inner Mongolia Government Appointments Reported**

*SK2302122096 Hohhot NEIMENGGU RIBAO  
in Chinese 21 Jan 96 p 2*

[FBIS Translated Excerpt] The Inner Mongolia Autonomous Regional Government recently appointed a number of functionaries.

Huangalatengbielige [7806 7093 2139 7506 0446 4539 2706] was appointed deputy director of the regional Judicial Department.

Ji Binglin [1323 3521 2651] was appointed deputy director of the regional Textile Industrial Department.

Bo Liangen [5631 6647 2704] was appointed deputy director of the regional Communications Department.

Saiyingaribu [6357 7299 0867 2480 1580] and Liu Zhaohe [0491 0340 0735] were appointed deputy directors of the regional Cultural Department.

Liu Shutao [0491 2885 3447] was appointed deputy director of the regional Public Health Department.

Liu Rui [0491 3843] was appointed deputy director of the regional Radio and Television Department.

Hang Guilin [2635 2710 2651] was appointed director of the regional Press and Publication Bureau.

Shi Yuping [4258 3768 1627] was appointed deputy director of the regional Press and Publication Bureau.

Zha Musu [2089 2606] was appointed chairman of the regional Foreign Economic Cooperation Office (the opening-up office).

Rong Tianhou [2837 1131 0624] was appointed vice chairman of the regional Foreign Economic Cooperation Office (the opening-up office).

Liang Xixia [4731 1585 0204] was appointed deputy president of Inner Mongolia University. [passage omitted]



**PRC: Tianjin Association To Assist Chain Stores**

*OW2102130596 Beijing XINHUA in English*  
*1258 GMT 21 Feb 96*

[FBIS Transcribed Text] Tianjin, February 21 (XINHUA) — An association to provide help to the mushrooming chain store business has been founded in this port city in north China.

As a thriving commercial center, Tianjin has had 52 companies set up with over 500 chain stores backed by state, collectively-owned, or private businesses as well as overseas investors, in the past two years.

"The sector is expected to continue to grow fast because of the convenience and quality services it can provide

consumers," said Luo Baoming, director of the city's Commercial Committee.

"The municipal government welcomes more overseas investment in chain-stores in Tianjin," Luo said.

**Northeast Region**

**PRC: Changchun City Elects New Mayor 14 Feb**

*SK1502062396 Changchun Jilin People's Radio*  
*Network in Mandarin 2300 GMT 14 Feb 96*

[FBIS Translated Text] At the fourth session of the 10th Changchun City People's Congress held on 14 February, Song Chunhua was elected mayor of Changchun City.

**Taiwan: Li Teng-hui Holds News Conference 23 Feb**

OW2302111396 Taipei China Broadcasting Corporation News Network in Mandarin  
0700 GMT 23 Feb 96

[News conference by Li Teng-hui with Chinese and foreign correspondents at the Presidential Office in Taipei; from the "Hookup" program — live]

[FBIS Translated Excerpt] [Passage omitted on introductory remarks and Lunar New Year greetings to participants of the news conference by Presidential Office Secretary General Wu Po-hsiung]

[Wu] Now let us invite the president to speak at this news conference.

[Li Teng-hui] Ladies, gentlemen, and friends: I wish you good health during the Lunar New Year. First, I would like to thank everyone for their presence at today's news conference. In particular, I welcome those friends from foreign journalistic circles. In Chinese tradition, the period leading to the Lantern Festival is still the Spring Festival period. I would like to take this rare opportunity to express my belated Lunar New Year greetings to everyone here, and I wish everyone a happy Lunar New Year.

In the past year, the Republic of China has registered many achievements in politics, economy, culture, and national defense. Particularly, in 29 days time we will hold a presidential election which will be the beginning of history for the entire Chinese nation. Over the last 5,000 years, this is the first time in which the people can directly vote by themselves and elect the head of state of their own accord. This is beneficial to political democratic development. We will advance into the 21st century in the coming four years. Everyone is concerned about the ROC's future development trend and the problems it is facing, and about how to handle and resolve these problems. Therefore, in reviewing the past, appraising the present, or looking into the future, I also believe that everyone present here is concerned about the ROC's development trend, and how I will administer the state. At today's news conference I am willing to answer everyone's questions on the issues they are interested in. Now let us invite Secretary General Wu to preside over this news conference. Thank you, everyone.

[Wu] Please raise your hand if you wish to ask a question.

[Chen] I am (Chen Hui-mei), a reporter from the Chinese Television System and chairman of the Association for Reporters Covering News About the Presidential Office. First of all, on behalf of the association, I would like to wish you good health and hope that everything

goes well with you. During this election season, what measures will the government take to alleviate the tense situation in the Taiwan Strait?

[Li] Thank you, Miss Chen. It has been our government's goal to alleviate cross-strait relations since [words indistinct]. Other countries in the world also hope that the two sides of the strait can (?sign a peaceful agreement). People living on both sides of the strait are expecting that the two sides will end the hostile conditions, create a peaceful environment, and develop ties that are mutually beneficial and that will lead to common prosperity. Over the past six years, we, with incomparable patience and willpower, have used peaceful methods to accomplish a truly democratic reform to safeguard the existence and development of the Republic of China. But Communist China defines the insistence of the existence and development of the Republic of China as "Taiwan Independence." Why? Mainly because they do not have any reason to oppose Taiwan's effort to become democratic [words indistinct]. Therefore, we should be very careful and patient about (?talks on a peaceful agreement) in the future. I am confident that I can use my utmost intelligence and incomparable courage to pool all opinions expressed by all sectors and the consensus of our people so that we can study and come up with a concrete and practical plan for peaceful cross-strait development, stability, and prosperity in the Asia-Pacific region, thus making historic contributions. [words indistinct] Thank you. Any other questions?

[Li Hua-ren] How are you, Mr. President. I am (Li Hua-wen), reporter of TZU-LI TSAO-PAO. Two opposition parties have advocated the "great conciliation" slogan. Rumors say that the Kuomintang will invite people from the opposition parties to join the cabinet after the election. I would like to ask you, Mr. President, this question: If you are elected as president for the next term, is it possible that members of the Democratic Progressive Party will join the cabinet?

[Li] This is a hypothetical question. I do not know, but this idea sounds correct. My idea is that it is necessary to maintain a stable government. This is the most important issue. What we have now is party politics. The whole situation is very clear to all of us. [words indistinct] But it is of utmost importance to maintain a stable situation. Therefore, we should pay attention to the concepts of "great unity" and "great construction." These are the most important things. Some people talk about "great conciliation." In fact, it turns out to be sharing political booty; for example, arranging a position for someone. In fact, this is not the most important thing. This is not correct. How to find talented personnel to join the government, how to make the political situation more stable, how to make our society more peaceful, and

how to make the economy more prosperous are the issues that concern us. In fact, the Kuomintang is still a majority party. In party politics, a majority party is a ruling party. We should not forget this point. [laughter] But some people say this is very dangerous. [words indistinct] This is not mature thinking about party politics. But I believe that we should invite talented personnel to join the government. We are concerned about the work to make the political situation more stable, society more peaceful, and the economy more prosperous. Therefore, those who are beneficial to the state and those who have ability and morality, I believe, will be invited by the future premier. I do not think there will be any problem with this. I believe we can invite them to take more important jobs outside the cabinet. I just said those who are beneficial to the state and those who have both ability and morality can be invited to join the government. This might be different in concept from the "great conciliation." Thank you.

[Huang] How are you, Mr. President? I am LIEN-HO PAO's reporter (Huang Yu-cheng). We are all very concerned about cross-strait relations. It is universally believed that cross-strait relations will probably enter a new phase in the wake of the presidential election. If you smoothly transition to become the first president elected by the people, will you consider the possibility of meeting with CPC leaders? Will you visit Mainland China as a president elected by the people? Furthermore, will you openly invite CPC leaders to visit Taiwan? In a word, do you think the time has come for leaders of the two sides to sit down for talks? Thank you.

[Li] Thank you. This matter depends on whether the time is opportune or not. I have touched on this issue when answering Ms. (Lin)'s question on cross-strait relations. The most important thing at present is a peace treaty between the two sides; this is the first step. The issue, however, is not one that can be settled through a meeting of leaders of the two sides. There is still some time to go before leaders of the two sides meet each other. This is why I said just now that whether the time is opportune depends on the situation. There is one more thing to consider: As time goes by, political issues develop everyday. Therefore, it is very difficult to determine when is the time. The most important thing, however, is whether it is necessary for the state. Another thing is whether it is supported by the people. I have mentioned this in answering the first question — we should widely solicit and consider opinions from various sectors in the country with a view to reaching a consensus among the people. Although this question involves many considerations, such as the time, the necessity, and the support of the people, I believe the feasibility of a meeting is not ruled out.

[Hsu] How are you? I am TZU-YOU SHIH-PAO reporter (Hsu Shu-ting). We occasionally hear reports about territorial disputes between the two sides of the strait. Japan and South Korea had a conflict over the Takeshima Islands several days ago. I would like to ask the president if the sovereignty of our country, let us say Taiwan, Penghu, Kinmen, Matsu, or the South China Sea islands, were violated by external forces, what action would you take as president and commander in chief of the three armed forces? Thank you.

[Li] Thank you. This is a very important question. We should be aware of the present situation of the Army's preparedness. I would like to stress here that I have told our soldiers and troops on many occasions that we may be in a warless state for 100 years, but we must not be unprepared for war even for a single day. We should always be concerned about and pay attention to this issue. We have been beefing up our equipment, the second-generation aircraft and warships, and others over these years. Therefore, I have full confidence in our Army; the Army's capability in safeguarding the country and the people should not be neglected. What I can tell you is that the military has briefed me many times on the CPC's military threats. In conducting military exercises, we have considered almost all conditions that may arise. [words indistinct] We have countermeasures for every situation possible; for example, the measures for handling the stock market and public security if they are affected. As for the military, I have just told you that we are prepared. What I want to tell you is that our Army is quite well-prepared for the situation and I have heard several briefings on this issue. Our Army has really kept abreast of the situation and has been fully prepared with corresponding measures and (?exercises). Of course, it is not convenient for me to openly talk about many military issues, but the Army is truly completely prepared and is confident. Thank you.

[Chang] I am Chang Hui from CHUNG-KUO SHIH-PAO. President Li, your U.S. trip was a major factor causing the Chinese communists to launch verbal attacks against you and military threats. [passage omitted explaining the purpose of diplomacy] You have indicated that you (?will continue to make foreign trips). Have your foreign visits attained objectives that cannot be achieved by other diplomatic measures?

[Li] We can look at this issue from two angles [passage omitted including indistinct portions] One is my trips to countries maintaining diplomatic relations with us, and the other is my trips to countries having no diplomatic relations with us. My trip to countries having diplomatic relations with us has traditional diplomatic significance. [passage omitted explaining the president's and vice



president's role in making foreign trips] As for my trip to countries having no diplomatic relations with us, it is significant in some other ways. Since the Republic of China now maintains diplomatic relations with only 31 countries, naturally countries having no diplomatic relations with us will invite me to visit them. The main purpose of visiting these countries is to discuss real issues with them. Those trips were not courtesy calls [words indistinct]. Real, substantive, state-to-state relations exist between the Republic of China and these countries, though the relations are mainly economic and cultural, and, under the present circumstances, their political significance may not be as conspicuous. When these countries invited me to visit them, I could not simply send an economic or foreign minister on my behalf. Why? As we do not have many contacts with these countries in the first place, I think I must take advantage of the important opportunity when these countries invite me to visit them so that we can exchange views with their leaders face-to-face about each other's problems. [passage omitted on importance of mutual help between countries] In terms of strengthening ties, a president's personal visit to countries having no diplomatic relations with us certainly will be more effective than sending a minister. [passage omitted on economic diplomacy]

[CNN] I am CNN [words indistinct] [CNN reporter speaks in English, fading into Mandarin translation] Since your visit to the United States, mainland-Taiwan relations have become much more strained. Mainland China has already conducted three military exercises. President Li, did you ever imagine that there would be such a strong response. Do you regret making the trip?

[Li] No. I said a while ago that we can expedite the Republic of China's development through supporting the Republic of China. Since we left the United Nations in 1972 the United States and many other countries have established diplomatic relations with the Chinese communist authorities. Most of the countries thought that the Republic of China would have no hope and would cease to exist. What have we accomplished in Taiwan all these years? The determination we demonstrated after we left the United Nations has accelerated the Republic of China's economic development. We worked very hard. [passage omitted on countrymen leaving Taiwan and Taiwan's economic miracle] In June of last year, I was invited to visit my alma mater — not the State Department, the U.S. Congress, or the White House — to visit my alma mater, where I spent 30-40 minutes delivering a speech, entitled: The People's Desires Are Always in my Heart. The main message I conveyed at Cornell University on behalf of the 21 million people on Taiwan was the existence of the Republic of

China in Taiwan and the fact that Taiwan, following its economic development, had joined the ranks of democratic countries. [passage omitted on foreign countries' praise for Taiwan]. At first I did not realize why the Chinese communist authorities were so upset. Maybe the U.S. Government also did not anticipate this problem. A month later, after I returned, I realized what the problem was. It was very simple: Now the whole world knows that the Republic of China really exists and is doing very well. It is a matter of increasing fear. The communists ask themselves how the Republic of China will become if things continue like this. This is the most important issue. I have said that the Republic of China wants democratization, which the communists dislike. I have said more than 130 times that I am not advocating Taiwan independence, but the Chinese communists would not believe me. I realized later that I wanted to promote democratization in the Republic of China and democratization and my foreign trips are what the Chinese communist authorities feared. [words indistinct] Democratization is what the Chinese communists dare not promote. Democratization is something they cannot do [words indistinct]. In fact, democratization is something the Chinese communist authorities cannot stop and so they choose to do something else. Now we are going to elect our president and vice president. This is unprecedented in Chinese history. Once democratization is achieved in Taiwan, the Chinese communists will not know how to tell the 1.2 billion people on the mainland why they cannot elect their president like the people in Taiwan do. Being afraid of the consequences, they want to stop the election by conducting one military exercise after another. They have conducted several exercises. After these many times, their [words indistinct] effects are diminishing. We know that the Chinese communists are not pleased with our foreign trips, but we must also say that we are not pleased with their military exercises. But we can say to them: Let us make some comparisons. I think that, in the future, the issue of hostility in the Taiwan Strait can be properly handled. I think that maintaining stability in the Taiwan Strait and cross-strait peace are in the interest of the Asia-Pacific region, and also the people on the two sides of the Taiwan Strait; and that promoting cross-strait ties is also an important issue the ninth president of the Republic of China must handle. [passage omitted on previous statements Li has made during the presidential campaign] (more) (THIS REPORT MAY CONTAIN COPYRIGHTED MATERIAL. COPYING AND DISSEMINATION IS PROHIBITED WITHOUT PERMISSION OF THE COPYRIGHT OWNERS.) 23 FEB 1454z wg [passage omitted including indistinct portions on how Li Teng-hui will persuade voters to vote for him,

his feelings on the eve of the presidential election, and other election-related issues]

[Unidentified reporter] In your answers to other reporters' questions, you repeatedly said stability is a very important cause in your current president election campaign. During an election campaign in Kaohsiung, you mentioned that if the Kuomintang's Li Teng-hui and Lien Chan are elected with more than 50 percent of votes, Taiwan's political stability will be maintained for another 40 to 50 years. On what is your confidence based?

[Li] [passage omitted on Li's discussion of Taiwan's political situation] Under the circumstances I just mentioned, we should forget party affiliations and ethnic groups, and should unite together. How do we unite? I think our political ecology may need some adjustments. The political ecology should be adjusted. You may interpret this phrase in whatever way you like. [passage omitted on his discussion of the ROC's political future]

[Li] In the election process, I do not quite believe [words indistinct]. The most important thing [words indistinct] is Taiwan's political stability and Taiwan's great construction. We must think of Taiwan's overall political stability in the future. If stability is maintained [words indistinct]. Be it the DPP or the New Party, unification needs a process. During the process, just who's interests do they stand for? Have the people truly benefited? Under such circumstances, I myself really do not wish...because I am the chairman of the Kuomintang. Everyone knows the Kuomintang very well. The Kuomintang is very fair; it does not want to pursue independence or unification. Actually, national unification is our long-term objective. Under the current circumstances, how can you unify? Communist China now is a socialist country; its economy is [words indistinct] and, politically, people's freedom does not exist. How can we unify under such circumstances? Until Communist China becomes free and democratic, and (?wealth is equally distributed among its people), unification is very difficult. We should wait and [word indistinct]. During this period, we should develop ourselves; we cannot afford not to develop. And, if we want to develop, we cannot do it by quarreling everyday with each other. We need stability, (?especially political stability). [passage omitted including indistinct portions on the people's wish for stability]

[Unidentified reporter] [words indistinct] I would like to ask something more about the question you have just answered. You said that under appropriate conditions, you will not preclude an exchange of visits between high-level leaders of both sides of the strait. At the same time, you mentioned that an important task of the ninth

president will be to end the hostility between the two sides. My question is very simple: If you are elected the ninth president, what priority measures will you take on your own to ease cross-strait relations? Will they be establishing the three direct links, signing a cross-strait peace agreement, or exchanging visits by high-level leaders or special envoys of the two sides? Please tell us specifically if you will take the first initiative?

[Li] [words indistinct] The most important thing is that the two sides should quicken the pace of signing a peace agreement, because in 1991 we abolished the period of mobilization for suppressing the Communist rebellion, but we have not seen any similar moves on the mainland side. We should talk about this issue as soon as possible. This issue was raised in Chiang Tze-min's [Jiang Zemin's] eight-point proposal and in my six-point proposal. [words indistinct] Chiang's eight-point proposal and my six-point proposal should serve as a bridge for promoting cross-strait peace and stability. As to establishing the three links, it can be done later and slowly. If [words indistinct], how can we establish the three links? [words indistinct] [passage omitted on Li Teng-hui's election campaign activities and his assessment of the election situation]

[Lai] I am (Lai Shiu-yu), a reporter stationed in Taipei for Hong Kong's MING PAO. You just mentioned that the next four years will be very important for the Republic of China. There are only 472 days remaining for Hong Kong before June 1997. We would like to know your opinion about Taiwan-Hong Kong relations in the future. Do you think, after 1997, the political and economic situation in Hong Kong will be as good as present? Another question is this: Many people in Taiwan are very concerned about three capital prisoners, Su Chien-he, Liu Ping-lang, and Chuang Lin-hsun. Many human rights groups have urged you to grant them a pardon. I understand you are also very concerned about this case. Will you ask the Justice Ministry to review the case? What is your opinion about this issue?

[Li] About the relations between Taiwan and Hong Kong, I believe this is an extremely important issue. At present, I think Taiwan and Hong Kong will maintain the status quo. As to what to do after the Chinese authorities in Beijing take over Hong Kong, we will come up with countermeasures at that time. At present, we will maintain the status quo. I believe it is very important to maintain the status quo regarding our investment in Hong Kong and our transportation links with Hong Kong. Regarding the three capital prisoners you just mentioned, I have not yet received any petition so far, but I have learned of this issue from the newspapers. But as president, I am not in a position to express my own opinion right now because the case is



in the judicial process. It is all right to be concerned about this issue. But since it is now in the judicial process, we should let the judicial department handle it properly. [words indistinct] In the future, when I have opportunity, I will provide my assistance. This is a matter concerning human life. But this is a judicial issue. We are not supposed to interfere with the judicial process. We should not twist the whole judicial process. [words indistinct]

[Wu] I am Wu Shih-cheng from the China Television Enterprise, the question I want to ask is about constitutional government. You are currently the eighth president who was elected by the National Assembly and who is running to be the ninth president — the first president to be directly elected by the public. After you are elected, your power base will be expanded and stronger....

[Li] Stronger? In what way will it be stronger? [laughter] The Constitution is the same. Would it not be better to say that the public opinion base is bigger?

[Wu] Thank you, Mr. President. You are also the chairman of the ruling party. How do you view relations among the presidency, the Legislative Yuan, the National Assembly [words indistinct] under the current Constitution?

[Li] [passage omitted on Taiwan's Constitution] The relationships between the Executive Yuan and the Legislative Yuan may become a big issue in the future. The Legislative Yuan has a very large public opinion base. Problems like this will be taken care of in the future if the Constitution is going to be amended [passage omitted on the presidency being based on a broad public opinion]

[Mao] I am Mao Jung-hua from CHUNG-YANG JIH-PAO. Mr. President, you have stated time and again that you will promote the development of cross-strait relations, but you will not give up your pragmatic diplomacy. If you are elected as the ninth president, will you continue to make foreign trips, especially to Japan. Because we know that you also have an alma mater in Japan?

[Li] Visiting my alma mater is not a very important issue. Right? I follow one principle for making foreign trips: I certainly will do whatever is beneficial to the country. In name, I can accept my golf friends' invitations [words indistinct] and give a speech among them. I hope the Chinese communist authorities should not take matters like this too seriously, or think that our pragmatic diplomacy and our foreign trips would obstruct their development. They need not see things this way. The Republic of China on Taiwan is doing

very well in promoting its democratization and in developing its economy; and we have won great respect internationally. This is very good for the Chinese nation as a whole. Why is it that something good for Taiwan should be bad for the mainland? Taiwan can have good effects on the mainland if [words indistinct]. I think the mainland authorities have the misconception that if Taiwan survives, and the more developed Taiwan is, the more active I will be in promoting Taiwan independence. I have never thought about this. What ought to be a very simple issue has become a very complex one. I have never thought about this. I have stated time and again that the country must be reunified [words indistinct] only that the time has not yet come, and that the situation on the mainland has not changed. The mainland itself is replete with problems. It has many more problems than Taiwan. You may not see it, but the mainland is beset with numerous problems [words indistinct] immediate reunification would be a headache for them. [passage omitted with indistinct portions] There is nothing wrong with the Republic of China on Taiwan. The Republic of China will continue to develop. Our development will be helpful for the mainland. We have investments on the mainland, right? Our democratization here will also gradually influence the mainland. Thus, I do not know when I will visit Japan or some other countries. Maybe the people who said that are more eager than I am. This is an issue that can afford to wait. Thank you.

[TAIWAN JIH-BAO] I am TAIWAN JIH-BAO reporter [name indistinct]. Society assesses your political achievements differently. Can you, Mr. President, assess your own political achievements? Thank you.

[Li] I do not quite understand why [words indistinct]. This is something that should be done by you reporters, or by historians in the future. But I must say that the Republic of China's democratization today is something I am doing my best to promote. [passage omitted on the advantages of democratization and Li's relations with other political parties]

[TIME] President Li, how are you. I am TIME correspondent [name indistinct] Some people criticized the Kuomintang and you for the recent years' social phenomenon characterized by criminal syndicate's financial support for political figures. What is your comment on such criticism?

[Li] [passage omitted with indistinct portions] Is there a democratic society or a democratic country that does not have a dark side? This phenomenon exists in all countries, including the United States and Japan. [passage omitted with indistinct portions]



[Kuo] How are you, President Li. I am Kuo Chi-li from CHUNG-KUO WAN-PAO. The question I want to ask is that, since the presidential campaign has started, and you have emphasized that the election of the ninth president is unprecedented in the history of the Republic of China, are you willing to take another initiative by taking part in political debates with other presidential aspirants?

[Li] A televised debate is a campaign tactic. Some people have asked me to come out more often (?and train myself in that area). [passage omitted with portions indistinct] I do not think that we should take part in any form of activity which is not in our favor [words indistinct]. We have constant, everyday contacts with the people. We have heard their voices and we know what they want. Do you know how many people with whom I have shaken hands? [passage omitted on establishing more contacts with the people]

[UPI] How are you? I am a reporter from UPI. The CPC's recent military threats and action have not only posed a question to Taiwan, but also to other countries. What role do you think the United States should play to help Taiwan in the face of Mainland China's military threats?

[Li] Thank you. Stability and peace in the Asia-Pacific region is of great importance to the United States, because it is a member of the Asia-Pacific Economic Cooperation. Presently, the United States' relations

with Asia are closer than those with Europe; its trade volume with, and investments in, Asia are rather huge. Therefore, the United States should be very concerned about stability in this region, particularly the strait, the Korean peninsula, and the South China Sea. In the eyes of many countries, the Chinese communists' military exercises against the elections for the president and vice president in Taiwan probably look absurd. This is not good, they may think. The United States has quite close relations with Communist China, and so it should give Communist China some advice. Any terms and words can be expressed through contacts and talks. The United States and Communist China should not sour their relations because of my Cornell University visit. I have repeatedly stressed that good relations between the United States and Communist China will probably be more helpful to Asia. The United States may have frequent contacts and [words indistinct] with Communist China on the stand of maintaining stability in Asia. We want the United States to be our good friend. Although we do not maintain diplomatic relations, I believe the United States is very concerned about the Taiwan issue because of our relations in economy, culture, and other fields, as well as the existence of the Taiwan Relations Act. Therefore, I hope the United States will pay greater attention to this matter for the stability of Asia. Thank you. [passage omitted on the building of a community of lives in Taiwan]

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